developing better lifestyles

FINBAR INTERNATIONAL LIMITED
ACN 009 113 473

Level 3
15 Labouchere Road
SOUTH PERTH WA 6151

http:// www.finbar.com.au
ASX CODE: FRI

27 February 2007

COMPANY ANNOUNCEMENT:
FOR IMMEDIATE RELEASE

HALF YEAR RESULTS

Prices and demand in the Perth residential housing market remains strong with Finbar continuing to secure a high level of pre-sales for all project launches.

In accordance with the current Accounting Standards, sales are recognised when the transfer of the title or passing of possession occurs to the buyer. For all apartments that are sold off-the-plan, this will generally occur shortly after the completion of the company's projects.

Construction currently continues on several major projects but the timing of completion of these projects has resulted in there being no projects completed in the six month reporting period to 31 December 2006 and therefore only limited revenue has been received in this period. As a result Finbar is reporting a loss of $432,821.

Directors remain cautiously optimistic of meeting full year profit projections with several major projects nearing completion by 30 June 2007. All units in these projects are sold and therefore, revenue is expected to be recognised prior to the end of the financial year on passing of title or possession.

Project sales remain strong with the company now having secured $610 million in pre-sales on $638 million of launched projects.

For information on revenue recognition under the Accounting Standards visit www.finbar.com.au/ifrs.

On this basis, we report the attached half year results.

DIVIDEND

The Director's announce an interim dividend of $0.03 per ordinary share to be paid from retained earnings.

The Record Date for determining entitlements for the interim dividend will be 12 April 2007 and the distribution date will be 9 May 2007.

PROJECT UPDATE

One28 – 128 Adelaide Terrace, East Perth (50% owned JV).

Construction on One28 finished in December 2006. All units settled between 4 January and 12 February 2007. As no settlements occurred prior to balance date to 31 December 2006 and there was no revenue from the sale of this project recognised in the reporting period.

Altair Apartments – 132 Terrace Road, South Perth (50% owned JV)

The Altair building structure is now complete and internal fitout and external works currently underway.

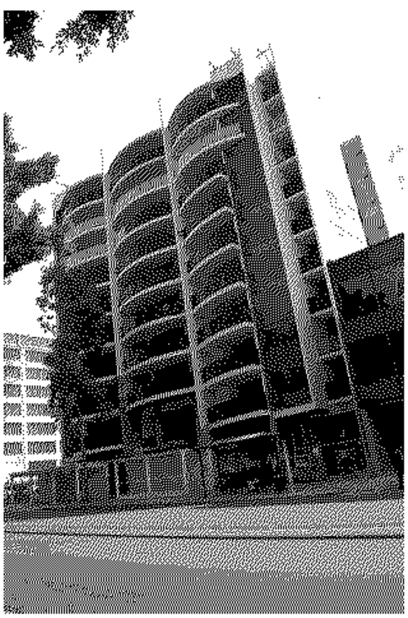
The 123 unit project is completely sold out with completion expected in the current financial year.

Avena – 18 Tununda Drive, Rivervale (50% owned JV)

The structure for the two buildings that comprise the Avena project are complete with internal fitout continuing.

Avena is a 76 unit project which is completely sold out. As with Altair, completion of Avena is expected prior to the end of the financial year.

Soho – 188 Adelaide Terrace, East Perth (30% owned JV)



Continued internal works on the completed structure continues for Soho.

Soho is an 80 unit project which is completely sold out with completion expected prior to the end of the financial year.

Sol Apartments – 19 Carr Street, West Perth (100% owned)

Sol apartments in West Perth is currently in advanced stages of construction with completion due I the middle of the 2007 calendar year.

Del Mar – 3 The Palladio, Mandurah (100% owned)

Construction continues on the sold out project in Del Mar with construction due to be completed in the second half of the 2007 calendar year. Revenue from the sales of this sold out project will impact on the results for the financial year ending 30 June 2008.

Infinity – 131 Adelaide Terrace, East Perth (50% owned JV)

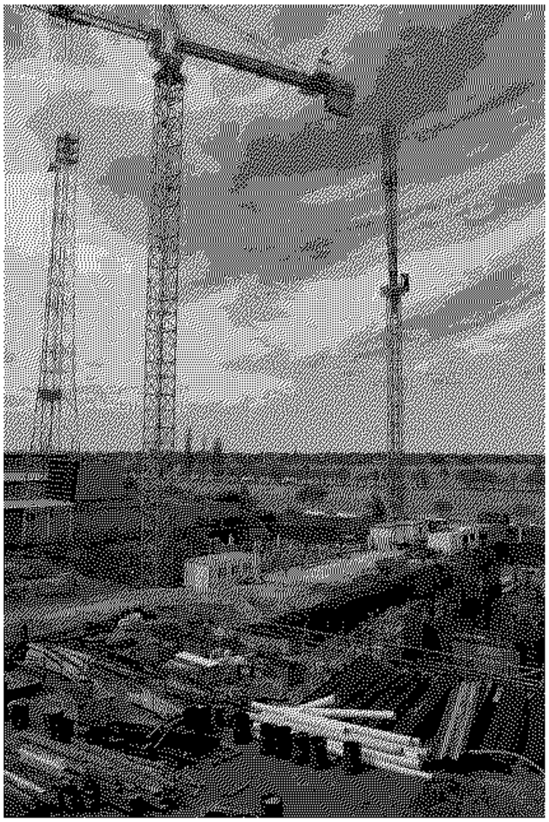
The 111 unit Infinity development is under construction with the structure now reaching the eighth storey of the ten storey sold out development.

Revenue from the sales of Infinity will impact on the results to 30 June 2008.

Ceresa – 12 Tununda Drive, Rivervale (50% owned JV)

The fourth and final stage of the company's Rivervale joint venture project is Ceresa. This sold out project is under construction with completion scheduled for the middle of the 2008 calendar year.

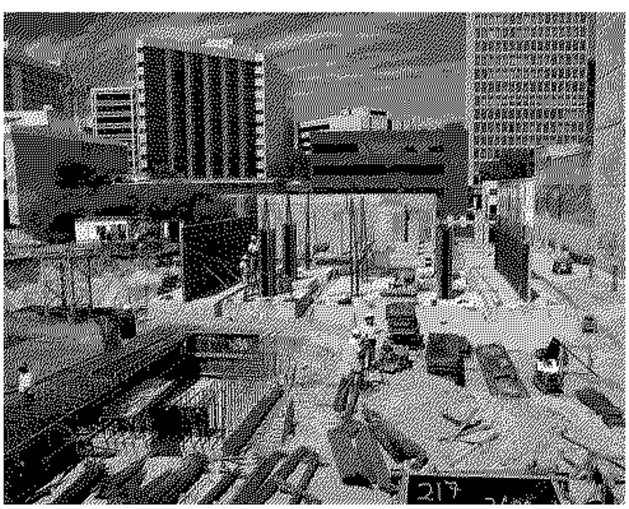
Reflections – 96 to 102 Terrace Road, East Perth (50% owned JV)



The company's tallest project to date – Reflections, is currently under construction and is expected to be completed in 2009.

The 24 storey, 142 unit project is sold out.

Domus – 375 Hay Street East Perth (50% owned JV)



Construction works commenced on the 81 unit development at Domus during the reporting period.

The project is completely sold out with construction due to be completed toward the end of 2008.

Royale – 353 to 363 Hay Street East Perth (50% owned JV)

The sales launch at Royal during the reporting period proved a success with 179 units of the 197 unit project being sold.

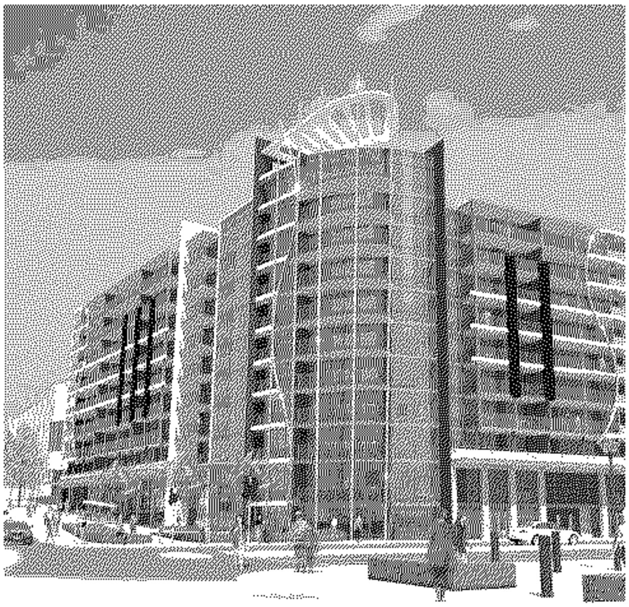
Construction on this massive residential project will commence this calendar year.

Horizon – Lots 1 to 10 Whatley Cresent, Maylands (100% owned)

The marketing program for the Horizon project has commenced with 350 expressions of interest to secure lots in this 112 unit $60 million project.

Construction is likely to commence later in 2007.

Code – 701 to 705 Wellington Street Perth (50% owned JV)



The sales launch of Code occurred in the reporting period with all available lots (94 lots) in the 114 lot development selling in the December 2006 and January 2007 marketing campaign.

20 residential apartments are being retained for the release during the construction program.

In total $47 million in sales in the $58 million project have been achieved.

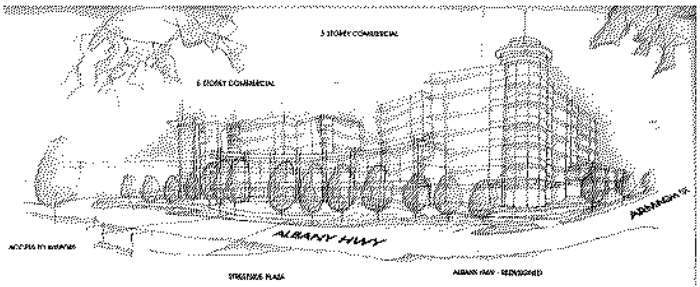
Construction is expected to commence this financial year with completion expected in 2009.

Circle – Lots 207 & 301 Lake Street Northbridge (100% owned)

The marketing launch of Circle during the reporting period resulted in 28 sales being achieved in the 37 unit project.

Construction of Circle is expected to commence shortly with completion expected in the 2008 financial year.

59 Albany Highway Victoria Park (50.3% owned)



The company is currently in the final stages of negotiations with local authorities for the development of the Albany Highway property.

The expectations for the site will be the development of a mixed use project comprising approximately 75 residential apartments along with a substantial commercial building.

It is proposed that this building will be acquired by the Finbar Property Trust to provide the Trust with annuity style income potential.

The Finbar Property Trust is a unit trust, all the units of which are beneficially owned by Finbar International Limited and will ultimately form part of a future proposal to staple the securities of the trust to the ordinary shares of Finbar.

175 Adelaide Terrace East Perth (100% owned)

The current proposal to develop the Adelaide Terrace property contains a submission to develop 176 apartments on the site.

Marketing and construction are expected to commence later this calendar year.

122 Adelaide Terrace East Perth (50% owned JV)

During the first half Finbar secured a new joint venture for the development of a residential apartment building on 122 Adelaide Terrace in East Perth.

This joint venture has been entered into with the beneficial land owners of the property who will contribute the land to the venture with Finbar contributing one half of the value of the land in working capital. Finbar will earn a fee for managing the project and receive one half of the development profit.

The planning application is currently underway for the development of 84 lots with a marketing launch expected this year.

406 & 407 Newcastle Street Northbridge (50% owned JV)

A Finbar lead joint venture has secured the purchase of two mixed use lots in Northbridge for $3.83 million.

The company plans to develop a three story mixed use buildings comprising five commercial units on the ground floor and a mixture of 28, two and three bedroom residential apartments.

The development application is currently underway with a view to commence construction works this calendar year.

369-375 Stirling Street Highgate (100% beneficially owned Trust)

On 8 February 2007 Finbar Funds Management Limited as trustee for the Finbar Property Trust secured the purchase of the Stirling Street property for $11.8 million.

The property comprises 8,970 sqm of land which contains approximately 3,200 sqm of existing school buildings. The land has a residential zoning of R80.

The property is being purchased on a lease back arrangement with the current owners who operate a worldwide chain of language schools.

On expiry of the lease (and option if exercised), it is our intention to develop into residential apartments for sale to the general public.

Finbar Funds Management Ltd is a wholly owned subsidiary of Finbar International Limited which is a trustee for the Finbar Property Trust. Finbar Property Trust is a unit trust, all the units of which are beneficially owned by Finbar International Limited.

The Finbar property trust will ultimately form part of the proposal to staple the securities of Finbar's ordinary shares.

PROJECT SALES SUMMARY

PROJECT	SALEABLE LOTS	SOLD TO DATE	% Sold	SALES VALUE TO DATE	PROJECTED REVENUE (Inc GST)	FINBAR'S INTEREST
ALTAIR - 132 Terrace Rd	123	123	100%	81,059,166	**81,059,166**	50%
AVENA - Hill 60 - Stage 3	76	76	100%	43,510,000	**43,510,000**	50%
SOHO - 188 Adelaide Terrace	80	80	100%	26,236,000	**26,236,000**	30%
DEL MAR - Palladio, Mandurah	49	49	100%	28,480,000	**28,480,000**	100%
SOL APARTMENTS - Carr St	60	60	100%	22,450,000	**22,450,000**	100%
INFINITY - 135 Adelaide Terrace	111	111	100%	42,490,000	**42,490,000**	50%
CERESA - Stage 4 Rivervale	113	113	100%	65,215,000	**65,215,000**	50%
REFLECTIONS - 98 & 100 Tce Rd	142	142	100%			50%

				118,866,818	**118,866,818**	
DOMUS - 375 Hay Street	81	81	100%	32,345,000	**32,345,000**	50%
ROYALE - 369 Hay Street	197	179	91%	87,309,500	**97,784,500**	50%
CODE - 36 Milligan Street	114	94	82%	47,370,500	**58,576,250**	50%
CIRCLE - 89 & 98 Lake Street	37	28	76%	14,386,000	**20,886,500**	100%
	1183	1136	95.75%	609,717,984	637,899,234	

ESTIMATED PROJECT COMPLETION SUMMARY TO 30 JUNE 2008

Project	Total Revenue	Finbar Owns	2007				2008	
			Mar	Jun	Sep	Dec	Mar	Jun
One28	33.4	50.0%	COMPLETE					
Soho	26.2	30.0%						
Avena	43.5	50.0%						
Altair	81.1	50.0%						
Sol	22.5	100.0%						
Del Mar	28.5	100.0%						
Infinity	42.5	50.0%						
Circle	20.9	100.0%						
Ceresa	65.2	50.0%						

Yours sincerely

Paul A Rengel
CHAIRMAN

27 February 2007

Appendix 4D

For The Six Months Ended 31 December 2006

1. Details of the reporting period

This report details the consolidated results of Finbar International Limited and its controlled entities for the half-year ended 31 December 2006.

Comparatives are for the half-year ended 31 December 2005. The results for the comparative period have been adjusted to comply with the Australian Equivalents to International Financial Reporting Standards (AIFRS).

2. Results for announcement to the market

	2006	2005	Change %
2.1 Revenue from ordinary activities	1,960,946	6,333,230	-69.04%
2.2 Profit from ordinary activities after tax attributable to members	(433,257)	4,111,035	-110.54%
2.3 Net Profit for the period attributable to members	(433,257)	4,111,035	-110.54%
2.4 Interim dividend per share, fully franked	3 cents	1 cent	N/A
Earnings per Share (Cents per Share)	(0.36)	4.04	-108.97%
2.5 Record date for dividend	12 April 2007		
2.6 Explanation	Refer to Company Announcement		

3. Net tangible assets per share

	2006	2005
Net tangible assets per share (Cents per Share)	43.59	36.00

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

4.1 Not Applicable.

5. Details of dividends

The Board has declared a dividend of 3 cents per share payable on 9 May 2007.

6. Dividend reinvestment plan

Not Applicable.

7. Details of subsidiaries

17-19 Carr Street Pty Ltd
59 Albany Highway Pty Ltd
135 Adelaide Terrace Developments Pty Ltd
175 Adelaide Terrace Pty Ltd
Burt Way Developments Pty Ltd
Finbar Project Management Pty Ltd
Finbar Property Maintenance Pty Ltd
Lake Street Pty Ltd
Lot 1 to 10 Whatley Crescent Pty Ltd

Appendix 4D continued

For The Six Months Ended 31 December 2006

8. Details of joint venture entities

59 Albany Highway Venture Pty Ltd
78 Terrace Road Joint Venture Pty Ltd
132 Terrace Road Joint Venture Pty Ltd
175 Hay Street Joint Venture Pty Ltd
188 Adelaide Terrace Joint Venture Pty Ltd
375 Hay Street Pty Ltd
406 & 407 Newcastle Street Pty Ltd
701 Wellington Street Pty Ltd
Boas Gardens Estates Pty Ltd
Joint Venture Property Maintenance Pty Ltd
Rivervale Concepts Pty Ltd

8. Foreign entities

Not Applicable.

9. Auditor's review report

No dispute or qualification exists in the auditor's review report.

FINBAR INTERNATIONAL AND ITS CONTROLLED ENTITIES
ABN 97 009 113 473
ACN 009 113 473
INTERIM FINANCIAL REPORT
for the half-year ended 31st December 2006

FINBAR INTERNATIONAL AND ITS CONTROLLED ENTITIES
INTERIM FINANCIAL REPORT
for the half-year ended 31st December 2006

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FINBAR INTERNATIONAL AND ITS CONTROLLED ENTITIES
DIRECTORS' REPORT
For the Half Year Ended 31 December 2006

The Directors present their report together with the consolidated financial report of Finbar International Limited ('the Company') for the half-year ended 31 December 2006 and the audit review report thereon.

1 Directors

The Directors of the Company at any time during or since the end of the half-year are:

Non Executive (Independent) Director	
Paul Anthony RENGEL (Chairperson)	Director and Chairperson since 22 May 1992
Non Executive Directors	
John Boon Heng CHEAK	Director since 28 April 1993
Kee Kong LOH	Director since 28 April 1993
Executive Directors	
John CHAN (Managing Director)	Director and Managing Director since 27 April 1995
Richard Dean RIMINGTON	Director since 27 April 1995

2 Company Secretary

Darren John Pateman	Company Secretary since 28 February 1996

3 Directors' Meetings

The number of Directors' meetings attended by each of the Directors of the Company during the half-year are:

Director	Board Meetings Held	Board Meetings Attended
Paul Anthony Rengel	1	1
John Boon CHEAK	1	0
Kee Kong LOH	1	1
John CHAN	1	1
Richard Dean RIMINGTON	1	1

4 Principal Activities

The principal activities of the consolidated entity during the course of the financial period continued to be property investment and development.

The Company's focus is the development of medium to high-density residential buildings in the Perth metropolitan area by way of direct ownership, ownership through fully owned Subsidiaries or by Jointly Controlled entities involvement through companies registered specifically to conduct the development.

There were no significant changes in the nature of the activities of the Company during the financial period.

5 Operating and Financial Review

Operating Results

The net (loss)/profit of the consolidated group after income tax amounted to: ($432,821) (2005 half-year) $4,111,035

Review of Operations

During the period the Company continued to focus on its core activities of residential property development.
The Company has funded its operations from cash reserves together with short-term construction finance which is project specific.
The holding company Finbar International Limited has continued the development of the property at Mandurah Marina (Del Mar) in Mandurah. A total of 0 units remain unsold as at the end of the financial period. A total of 49 units remain under construction as at the end of the financial period.

The subsidiary company 17-19 Carr Street Pty Ltd has continued the development of the property at 15-19 Carr Street (Sol Apartments) in Perth. A total of 0 units remain unsold as at the end of the financial period. A total of 60 units remain under construction as at the end of the financial period.

The subsidiary company 59 Albany Highway Pty Ltd has continued the development of the site at 59 Albany Highway Perth. The property is being developed with the joint venture company 59 Albany Highway Joint Venture Pty Ltd.

The subsidiary company 135 Adelaide Terrace Developments Pty Ltd has continued the development of the property at 131 to 137 Adelaide Terrace in Perth. A total of 0 units remain unsold as at the end of the financial period. A total of 111 units remain under construction as at the end of the financial period.

5 Operating and Financial Review (continued)

Review of Operations (continued)

The subsidiary company 175 Adelaide Terrace Pty Ltd has continued to hold the site at 175 Adelaide Terrace Perth.

The subsidiary company Burt Way Developments Pty Ltd has continued the development of the property at Burt Way (96 & 102 Terrace Road) in Perth. A total of 0 units remain unsold as at the end of the financial period. A total of 142 units remain under construction as at the end of the financial period.

The subsidiary company Lake Street Pty Ltd has continued the development of the property at Lot 207 and Lot 301 Lake Street (Circle) in Perth. A total of 22 units were pre-sold in the financial period. A total of 15 units remain unsold as at the end of the financial period. A total of 37 units remain under construction as at the end of the financial period.

The subsidiary company Lot 1 to 10 Whatley Crescent Pty Ltd has continued the development of the property at Lot 1 to 10 Whatley Crescent in Maylands.

The joint venture company 78 Terrace Road Joint Venture Pty Ltd has completed its development of the site in Perth. A total of 1unit was sold in the financial period. A total of 0 units remains unsold as at the end of the financial period.

The joint venture company 132 Terrace Road Joiint Venture Pty Ltd has continued its development of the property at 132 Terrace Road (Altair) in Perth. A total of 2 units were pre-sold in the financial period. A total of 0 units remain unsold as at the end of the financial period. A total of 123 units remain under construction as at the end of the financial period.

The joint venture company 175 Hay Street Joint Venture Pty Ltd has continued its development of the Stage 2 (128 Adelaide Terrace) site in Perth. A total of 0 units remain unsold as at the end of the financial period. A total of 104 units remain under construction as at the end of the financial period. The development of this property was completed in January 2007, with 99 units being settled in January 2007 and the remaining 5 units in February 2007, with a total gross sales figure of in excess of $30,000,000.

The joint venture company 188 Adelaide Terrace Joint Venture Pty Ltd has continued the development of the property at 188 Adelaide Terrace in Perth. A total of 0 units remain unsold as at the end of the financial period. A total of 80 units remain under construction as at the end of the financial period.

The joint venture company 375 Hay Street Pty Ltd has continued the development of the property at 375 Hay Street in Perth. A total of 0 units remain unsold as at the end of the financial period. A total of 81 units remain under construction at the end of the financial period. 375 Hay Street Pty Ltd has also continued the development of the property at 369 Hay Street in Perth. A total of 176 units were pre-sold in the financial period. A total of 21 units remain unsold as at the end of the financial period. A total of 197 units remain under construction at the end of the financial period.

The joint venture company 406 & 407 Newcastle Street Pty Ltd has tendered on the property located at 406 & 407 Newcastle Street in Perth. Since the end of the financial period, the Company has been advised that is was successful in its tender

The joint venture company 701 Wellington Street Pty Ltd has completed the acquisition of the site at 701 Wellington Street Perth. A total of 63 units were pre-sold in the financial period. A total of 51 units remain unsold as at the end of the financial period. A total of 114 units remain under construction at the end of the financial period.

The joint venture company Rivervale Concepts Pty Ltd has completed its development of the Stage 1&2 (Arum and Samphire) site in Rivervale. A total of 1 unit was sold in the financial period. A total of 1 unit remains unsold as at the end of the financial period. Rivervale Concepts Pty Ltd has continued its development of the Stage 3 (Avena) site in Rivervale. A total of 0 units remain unsold as at the end of the financial period. A total of 76 units remain under construction at the end of the financial period. Rivervale Concepts Pty Ltd has commenced its development of the Stage 4 (Ceresa) site in Rivervale. A total of 0 units remain unsold as at the end of the financial period. A total of 113 units remain under construction at the end of the financial period.

Significant Changes in State of Affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the financial period under review.

6 Dividends

Dividends paid or declared by the Company to members since the end of the previous financial year were:

	Cents per Share	Total Amount $	Franked / Unfranked	Date of Payment
Dividend Paid During the Half-year to 31 December 2006				
Final 2006 ordinary	3.00	3,560,202	Franked	29 September 2006
Total Dividends Paid		3,560,202		

Franked dividends declared or paid during the period were franked at the rate of 30%.

7 Events Subsequent to Reporting Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years.

8 Lead Auditor's Independence Declaration

The Lead Auditor's Independence Declaration is set out on Page 18 and forms part of the Directors' Report for the half-year ended 31 December 2006.

Dated at Perth this ....26TH....day of February 2007.

Signed in accordance with a resolution of the Board of Directors:

John Chan
Managing Director

FINBAR INTERNATIONAL AND ITS CONTROLLED ENTITIES
CONSOLIDATED INTERIM INCOME STATEMENT
For the Half Year Ended 31 December 2006

	Note	31-Dec-06	31-Dec-05
		$	$
Revenue		1,960,946	6,333,230
Cost of sales		(490,509)	(5,562,658)
Gross Profit		1,470,437	770,572
Other income		38,412	112,419
Administrative expenses		(706,423)	(309,992)
Deemed fair value of executive options issued	9	(1,435,616)	-
Other expenses		(3,763)	(20,096)
Profit before Financing Costs		(636,953)	552,903
Financial income		692,003	291,292
Financial expenses		(31,340)	(15,216)
Net Financing Income		660,663	276,076
Share of Jointly Controlled entities' net profit		78,916	3,488,655
Profit before Income Tax Expense		102,626	4,317,634
Income tax expense	7	(535,447)	(206,599)
Profit for the period		(432,821)	4,111,035
Attributable to:			
Equity holders of the parent		(433,257)	4,111,035
Minority interest		436	-
Profit for the period		(432,821)	4,111,035
Earnings per Share for Profit Attributable to the Ordinary Equity Holders of the Company:			
Basic earnings per share (cents per share)		(0.36)	4.04
Diluted earnings per share (cents per share)		(0.36)	4.00
Dividends per ordinary share (cents per share)		3.00	3.00

The Income Statement is to be read in conjunction with the Condensed Notes to the Interim Consolidated Financial Statements set out on Pages 10 to 14.

FINBAR INTERNATIONAL AND ITS CONTROLLED ENTITIES
CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
For the Half Year Ended 31 December 2006

	Share Capital	Reserves	Retained Earnings	Total Equity
	$	$	$	$
Opening balance at 1 July 2005	26,508,140		8,205,666	34,713,806
Profit for the period			4,111,035	4,111,035
Shares issued - net of share issue cost and tax	1,046,048			1,046,048
Dividends to shareholders			(3,066,702)	(3,066,702)
Closing balance at 31 December 2005	27,554,188	-	9,249,999	36,804,187
Opening balance at 1 July 2006	39,861,817		9,132,179	48,993,996
Profit for the period			(432,821)	(432,821)
Shares issued - net of share issue cost and tax	10,488,782			10,488,782
Deemed fair value of executive options issued		1,435,616		1,435,616
Dividends to shareholders			(3,560,202)	(3,560,202)
Closing balance at 31 December 2006	50,350,599	1,435,616	5,139,156	56,925,371

Amounts are stated net of tax

The Statement of Changes in Equity is to be read in conjunction with the Condensed Notes to the Interim Consolidated Financial Statements set out on Pages 10 to 14.

FINBAR INTERNATIONAL AND ITS CONTROLLED ENTITIES
CONSOLIDATED INTERIM BALANCE SHEET
As at 31 December 2006

	Note	31-Dec-06	30-Jun-06
		$	$
ASSETS			
Current Assets			
Cash and cash equivalents		13,829,523	14,073,806
Trade and other receivables		1,461,730	1,196,752
Inventories		19,281,533	5,356,446
Loans to related parties		182,713	182,713
Total Current Assets		34,755,499	20,809,717
Non Current Assets			
Trade and other receivables		21,065,771	13,811,910
Inventories		26,691,684	18,160,701
Investments		5,915	-
Investments in Jointly Controlled entities'		3,710,435	4,069,508
Property, plant and equipment		926,900	950,972
Deferred tax assets		-	32,644
Total Non Current Assets		52,400,705	37,025,735
Total Assets		87,156,204	57,835,452
LIABILITIES			
Current Liabilities			
Trade and other payables		1,845,803	2,217,186
Interest bearing loans and borrowings		28,361,565	5,888,606
Income tax payable		-	735,664
Total Current Liabilities		30,207,368	8,841,456
Non Current Liabilities			
Deferred tax liabilities		23,465	-
Total Non Current Liabilities		23,465	-
Total Liabilities		30,230,833	8,841,456
Net Assets		56,925,371	48,993,996
EQUITY			
Issued capital		50,350,599	39,861,817
Reserves		1,435,616	
Retained earnings		5,139,156	9,132,179
Total Equity	10	56,925,371	48,993,996
Attributable to:			
Equity holders of the parent		56,893,274	48,994,012
Minority interest		32,097	(16)
Total Equity		56,925,371	48,993,996

The Balance Sheet is to be read in conjunction with the Condensed Notes to the Interim Consolidated Financial Statements set out on Pages 10 to 14.

FINBAR INTERNATIONAL AND ITS CONTROLLED ENTITIES
CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
For the Half Year Ended 31 December 2006

	Note	31-Dec-06	31-Dec-05
		$	$
Cash Flows from Operating Activities			
Cash receipts from customers		1,601,810	7,282,819
Cash paid to suppliers and employees		(23,815,954)	(3,437,683)
Cash (used in)/generated from operations		(22,214,144)	3,845,136
Interest paid		(771,984)	(361,795)
Income taxes paid		(1,034,081)	(83,120)
Net Cash (used in)/generated from Operating Activities		(24,020,209)	3,400,221
Cash Flows from Investing Activities			
Interest received		484,459	291,292
Dividends received from Jointly Controlled entities		440,000	1,935,000
Dividends received		202	-
Acquisition of property, plant and equipment		(12,641)	(34,212)
Acquisition of other assets		-	(1)
Loans to related party		-	(182,713)
Loans to Jointly Controlled entities		(12,901,763)	(2,285,357)
Repayment of loans from Jointly Controlled entities		6,495,814	9,164,223
Net Cash (used in)/provided by Investing Activities		(5,493,929)	8,888,232
Cash Flows from Financing Activities			
Proceeds from issue of share capital		10,338,968	1,046,048
Proceeds from borrowings		53,386,305	304,012
Repayment of borrowings		(30,895,216)	(4,225,919)
Dividends paid	10	(3,560,202)	(3,066,702)
Net Cash received from Financing Activities		29,269,855	(5,942,561)
Net increase in cash and cash equivalents		(244,283)	6,341,892
Cash and cash equivalents at 1 July		14,073,806	2,473,837
Cash and Cash Equivalents at 31 December		13,829,523	8,815,729

The Statement of Cash Flows is to be read in conjunction with the Condensed Notes to the Interim Consolidated Financial Statements set out on Pages 10 to 14.

1 Reporting Entity

Finbar International Limited (the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2006 comprises the Company and its subsidiaries (together referred to as the "consolidated entity") and the consolidated entity's interests in jointly controlled entities.

The consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2006 is available upon request from the Company's registered office at Level 3, 15 Labouchere Road, South Perth or at www.finbar.com.au.

2 Statement of Compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2006.

This consolidated interim financial report was approved by the Board of Directors on 26 February 2007.

3 Significant Accounting Policies

The accounting policies applied by the consolidated entity in this consolidated interim financial report are the same as those applied by the consolidated entity in its consolidated financial report as at and for the year ended 30 June 2006.

4 Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2006.

5 Financial Risk Management

All aspects of the consolidated entity's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial report as at and for the year ended 30 June 2006.

6 Segment Reporting

A segment is a distinguishable component of the consolidated entity that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Company operates predominantly in the property development sector.

The Company operates wholly in one geographical segment being Western Australia.

7 Income Tax Expense

The consolidated entity's consolidated effective tax rate in respect of continuing operations for the six months ended 31 December 2006 was 170.43 percent (for the year ended 30 June 2006: 14.40 percent; for the six months ended 31 December 2005: 4.79 percent). This change in the effective tax rate was caused mainly by:

- a decrease in the income earned from joint venture entities (31-Dec-2006 $78,917, 31-Dec 2005 $3,488,655),
- the deemed cost of executive options issued (31-Dec-2006 $1,224,077, 31-Dec-2005 $Nil).

8 Interest Bearing Loans and Borrowings

This note provides information about the contractual terms of the consolidated entity's interest bearing loans and borrowings.

	31-Dec-06	30-Jun-06
	$	$
Commercial bills - secured	24,607,950	5,888,601
Standby commercial bill facility	930,000	-
Bank Overdrafts	274,450	-
Total Interest Bearing Loans and Borrowings	25,812,400	5,888,601

Financing Facilities

	31-Dec-06	30-Jun-06
Facilities available:		
Bank overdrafts	1,574,000	791,000
Standby commercial bill facility	930,000	930,000
Commercial bills - secured	60,323,000	27,279,000
Total Facilities Available	62,827,000	29,000,000
Facilities utilised at balance date:		
Bank overdrafts	274,450	-
Standby commercial bill facility	930,000	-
Commercial bills - secured	24,607,950	5,888,601
Total Facilities Utilised	25,812,400	5,888,601
Facilities not utilised at balance date:		
Bank overdrafts	1,299,550	791,000
Standby commercial bill facility	-	930,000
Commercial bills - secured	35,715,050	21,390,399
Total Facilities Not Utilised	37,014,600	23,111,399

Financing Arrangements

Bank overdrafts

The total bank overdraft of the Company is secured by a set off agreement against receipt of Goods & Services Tax credits. Interest on bank overdrafts is charged at prevailing market rates.

The total bank overdraft of the Controlled Entity is secured by a registered mortgage debenture over the Controlled Entity's assets and undertakings with a carrying amount of $1,174,000 (30-Jun-2006: $391,000). The bank overdraft is payable on demand and is subject to annual review.

Standby commercial bill facility

The standby facility with National Australia Bank is secured by registered first mortgage over Level 3, 15 Labouchere Road, South Perth. The carrying amount of these land and buildings at 30 June 2006 was $759,003 (30-Jun-2006: $769,830).

Commercial bills

Commercial bills are denominated in Australian dollars. The commercial bills amount in current liabilities comprises the consolidated entity's bank loan payable within one year $24,607,950 (30-Jun-2006: $5,888,601) net of cash on deposit in the consolidated entity's operating accounts with these banks.

The commercial bills loans are secured by registered first mortgages over the development property land and buildings of the consolidated entity to the extent of $60,323,000 (30-Jun-2006: $27,279,000).

The loans bear interest at the banks' prime rates plus 0% to 1.25% (30-Jun-2006: 0% to 1.4%), payable monthly.

9 Employee Benefits

Share Based Payments

At 26 June 2003, the Company established a share option programme that entitles key management personnel and senior employees to purchase shares in the Company. On 3 July 2006, a further grant on similar terms has been offered to these employee groups.

Options are issued under the Executive Option Plan 2003 (made in accordance with thresholds set in plans approved by shareholders at the 26 June 2003 General Meeting), and it provides for Directors and Senior Executives to receive up to an annual aggregate of 5% of fully paid issued shares by way of options over ordinary shares for no consideration.

The terms and conditions of the grants are as follows, whereby all options are settled by physical delivery of shares:

	Options Granted		Exercise Price	Vesting Conditions	Financial Years in which Grant Vests	Expiry Date
	Number	Date				
Executive Director						
Mr John Chan	1,950,000	3 July 2006	$0.40	*	3 July 2007	3 July 2009
Mr Richard Dean Rimington	1,400,000	3 July 2006	$0.40	*	3 July 2007	3 July 2009
Non Executive Director						
Mr Paul Anthony Rengel	500,000	3 July 2006	$0.40	*	3 July 2007	3 July 2009
Officer						
Mr Darren John Pateman	1,000,000	3 July 2006	$0.40	*	3 July 2007	3 July 2009
Employee						
Mr Edward Guy Bank	250,000	3 July 2006	$0.40	*	3 July 2007	3 July 2009
Total Options Granted	5,100,000					

* Vesting Conditions - No sooner than 12 months from date of grant and based on continuing employment.

During the financial period no share options were exercised (2005 half-year: 3,486,828). The weighted average share price at the dates of exercise for 2005 half-year was $0.45.

	Weighted Average Exercise Price 2006	Number of Options 2006	Weighted Average Exercise Price 2005	Number of Options 2005
Outstanding at the beginning of the period		-	$0.30	4,486,828
Exercised during the period		-		(3,486,828)
Granted during the period	$0.40	5,100,000		-
Outstanding at the End of the Period		5,100,000		1,000,000
Exercisable at the End of the Period		-		1,000,000

Options Issued

The deemed fair value of options is calculated at the date of grant using the Black-Scholes option-pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed below is the portion of the deemed fair value of options allocated to this reporting period.

The following factors and assumptions were used in determining the fair value of options on grant date:

Grant date	Expiry date	Exercise price	Price of shares on grant date	Estimated volatility	Risk free interest rate	Dividend yield	Deemed fair value
3 July 2006	3 July 2009	$0.40	$0.925	48.00%	5.97%	1.78%	$1,435,616

Estimated volatility approximates historic volatility. The life of all options granted is two years from the vesting date. Each option entitles the holder to purchase one ordinary share in the Company.

The options were approved in an extraordinary shareholders meeting on 15 June 2006.

10 Dividends

Dividends paid or declared by the Company to members since the end of the previous financial year are:

Dividend Paid During the Half-year to 31 December 2006				
Final 2006 ordinary	3.00	3,560,202	Franked*	29 September 2006
Total Dividends Paid - Half-year to 31 December 2006		3,560,202		
Dividend Paid During the Half-year to 31 December 2005				
Final 2005 ordinary	3.00	3,066,702	Franked**	30 September 2005
Total Dividends Paid - Half-year to 31 December 2005		3,066,702		

Franked dividends declared or paid during the year were franked at the rate of 30%.

* Paid out of AIFRS profits
** Paid out of old AGAAP profits

11 Capital and Other Commitments

	31-Dec-06 $	30-Jun-06 $
Commitments and Contingent Liabilities		
Property Development		
Contracted but not provided for and payable:		
Within one year	70,757,301	48,198,201
Later than one year	28,963,961	30,405,433
Total Property Development Commitments	99,721,262	78,603,634
Consolidated Entity's Share of Property Development - Jointly Controlled Entities		
Contracted but not provided for and payable:		
Within one year	43,466,961	34,723,942
Later than one year	21,905,736	1,389,771
Total Share of Property Development Commitments - Jointly Controlled Entities	65,372,697	36,113,713
Consolidated Entity's Property Development Commitments including Jointly Controlled Entities		
Contracted but not provided for and payable:		
Within one year	114,224,262	82,922,143
Later than one year	50,869,697	31,795,204
Total Property Development Commitments including Jointly Controlled Entities	165,093,959	114,717,347

The capital commitments of the Jointly Controlled Entities are supported by financing facilities within the individual Jointly Controlled Entities as well as financing facilities currently under negotiation by those entities. Expenditure commitments are contingent upon successfully obtaining financing facilities.

The capital commitments of the Finbar International and it Controlled Entities are supported by financing facilities referred to in Note 8 as well as financing facilities currently under negotiation. Expenditure commitments are contingent upon successfully obtaining financing facilities.

12 Contingencies

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

	31-Dec-06 $	30-Jun-06 $
Guarantees		
The Company has guaranteed the bank facilities of certain Controlled entities:	23,788,125	13,788,125
The Company has jointly guaranteed the bank facilities of certain Jointly Controlled entities:	19,000,000	19,000,000

12 Contingencies (continued)

Guarantees

Controlled Entities

The Company has provided a $11,670,000 limited guarantee and indemnity to National Australia Bank Limited for security on a finance facility in 17-19 Carr Street Pty Ltd.

The Company has provided a $2,000,000 limited guarantee and indemnity to National Australia Bank for security on a finance facility in Lake Street Pty Ltd.

The Company has provided a $118,125 limited guarantee and indemnity to National Australia Bank for security on a bank guarantee in Burt Way Developments Pty Ltd.

The Company has provided a $10,000,000 limited guarantee and indemnity to National Australia Bank for security on a bank guarantee in Burt Way Developments Pty Ltd.

Guarantees

Jointly Controlled Entities

The Company has provided a $10,000,000 limited guarantee and indemnity to National Australia Bank Limited for security on a finance facility in 132 Adelaide Terrace Joint Venture Pty Ltd.

The Company has provided a $5,000,000 limited guarantee and indemnity to Westpac Banking Corporation for security on a finance facility in 175 Hay Street Joint Venture Pty Ltd.

The Company has provided a $4,000,000 limited guarantee and indemnity to Bank of Western Australia Ltd for security on a finance facility in 188 Adelaide Terrace Joint Venture Pty Ltd.

13 Subsequent Events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Directors' Declaration

In the opinion of the Directors of Finbar International Limited ('the Company'):

1. The financial statements and notes set out on Pages 6 to 14, are in accordance with the Corporations Act 2001, including:

   a) giving a true and fair view of the financial position of the and the consolidated entity as at 31 December 2006 and of their performance, as represented by the results of their operations and their cash flows, for the half-year ended on that date; and

   b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and

2. There are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable, and to meet any obligations or liabilities to which they are or may become subject to.

Dated at Perth this ......26th......day of February 2007.

Signed in accordance with a resolution of the Board of Directors:

John Chan
Managing Director

KPMG

Independent auditor's review report to the members of Finbar International Limited

Report on the Financial Report

We have reviewed the accompanying half-year financial report of Finbar International Limited, which comprises the consolidated interim balance sheet as at 31 December 2006, income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year 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 conducted our review in accordance with Auditing Standard 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Finbar International Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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 financial report of Finbar International Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

KPMG

KPMG

Robert Kelly

Robert Kelly
Partner

Perth
26 February 2007

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Finbar International Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the financial half-year ended 31 December 2006 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Robert Kelly

Robert Kelly
Partner

Perth
26 February 2007