

26 February 2010

The Companies Announcement Office
Australian Stock Exchange Limited
Level 10 Exchange Centre
20 Bond Street
SYDNEY NSW 2000

Dear Sir / Madam

HALF-YEAR FINANCIAL REPORT AND APPENDIX 4D

Please find attached the following information from the Company:

- Half-year financial report for the period ended 31 December 2009
- Appendix 4D

Yours faithfully



Peter Coppini
Company Secretary



ABN 12 009 134 114

AND CONTROLLED ENTITIES

HALF-YEAR FINANCIAL REPORT

FOR THE PERIOD ENDED

31 DECEMBER 2009

PORT BOUVARD LIMITED AND ITS CONTROLLED ENTITIES

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PORT BOUVARD LIMITED AND ITS CONTROLLED ENTITIES

Corporate Directory

A.B.N. 12 009 134 114

ASX Code: PBD

DIRECTORS

Lee Verios LLB, MAICD, *Chairman*
Stephen J Court B.Bus (Acc), FCA
Ross J Neumann
Ian A Macliver B.Com, CA, F Fin, MAICD

CHIEF EXECUTIVE OFFICER

John VM Wroth MBA, PgD(EIA), BA, MAICD

COMPANY SECRETARY

Peter Coppini MBA, B.Bus, CPA

REGISTERED OFFICE

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129 Melville Parade
Como WA 6152

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Como WA 6952

Telephone: (08) 6436 2200
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SHARE REGISTRY

Computershare Registry Services Pty Ltd
Level 2 Reserve Bank Building
45 St George's Terrace
Perth WA 6000

Postal Address: GPO Box D182
Perth WA 6001

Telephone: (08) 9323 2000
Facsimile: (08) 9323 2033

Website: <http://www-au.computershare.com>

AUDITORS

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

SOLICITORS

Norton Rose
Level 39 BankWest Tower
108 St George's Terrace
Perth WA 6000

Lavan Legal
The Quadrant
1 William Street
Perth WA 6000

PORT BOUVARD LIMITED AND ITS CONTROLLED ENTITIES

Directors' Report

Your directors present their report on the Consolidated Entity consisting of Port Bouvard Limited and the entities it controlled for the half-year ended 31 December 2009.

DIRECTORS

The following are the names of the directors who held office during or since the end of the previous reporting period.

Mr Lee Verios (Chairman)
Mr Stephen John Court (Executive)
Mr Ross Neumann (Non-executive)
Mr Ian Macliver (Non-executive)

The directors have held office for the entire period. Mr Court was a non-executive director from 1 July 2009 to 14 December 2009. From 14 December 2009, Mr Court has been an executive director of the Company.

REVIEW OF OPERATIONS

The Company has continued its principal activity of the planning, development and sale of residential land. As construction and sales of the successful landmark project of Port Bouvard Residential Resort Estate nears completion, planning for flagship assets at Point Grey and Gidgegannup has continued, providing a clear direction and increased certainty for these projects.

An updated summary of each project is provided below.

Port Bouvard Residential Resort Estate

Oceanique Luxury Apartments

42 luxury apartments have been unconditionally contracted for sale for a total value of \$112 million (incl. GST). The \$100 million building contract is 87% complete, with all scaffold nearly removed and internal fit out well progressed to ensure completion by June 2010. The builder, Doric, has advised that the project is on schedule and within budget. The remaining 25 apartments will be marketed later this year.

Eastport Stage 5

Eastport Stage 5 marks the end of Port Bouvard Estate. At the date of this report 46 of the 47 green title standard canal lots have been sold. 45 lots have now settled and 1 lot is due to settle by the end of February.

All 34 canal lots on the exclusive survey strata island have been sold and installation of services is nearing completion. \$8 million in gross sales is scheduled to settle by 30 June 2010 with proceeds to be applied towards reduction of bank debt.

Point Grey

The approval process for the 2,700 lot Point Grey project is now well advanced. The land was rezoned from Urban Deferred to Urban in April 2009. This was a significant approval milestone for the Company. Further environmental work is continuing and the process to seek final approval for the marina component is expected to be finalised later this year, following which the Company anticipates it would be in a position to commence marketing of Stage 1 and then civil construction by mid 2011.

The current feasibility study only focuses on individual lot sales and does not consider the additional profitability that may be gained from undertaking the built-form projects. Port Bouvard Ltd believes there is significant long-term upside to the current forecast that has the potential to additionally deliver the built-form products as part of the Point Grey development.

PORT BOUVARD LIMITED AND ITS CONTROLLED ENTITIES

Directors' Report

Gidgegannup

A detailed masterplan submission was lodged with the City of Swan and the WAPC late last year. The masterplan submission provides the basis for an amendment to the Metropolitan Region Scheme. This amendment has not yet been initiated by the WAPC, however very clear direction as to the issues to be addressed in respect of the project have now been provided and initiation is anticipated by April 2010.

Bandy Creek, Esperance

It is anticipated the 17 hectares of strategically located land immediately adjacent to the existing marina will yield up to 207 canal lots. The necessary environmental investigations and reporting is well underway. Ministerial approval of the New Town Planning Scheme has been granted and gazettal is expected by the end of February 2010. This will provide a clear planning framework for the Company to progress its canal development proposal on its land holdings.

Non-core Assets

Melros

The Company's Melros site has now received subdivision approval for 43 residential strata lots. On the back of the successful sales campaign for Eastport 5 the Company is now preparing for the presale offering of these premium ocean front lots in March this year. The low maintenance cottage lots will be attractive to a larger market seeking affordable coastal living.

Dawesville

The Dawesville land was sold in 2009 for \$4.95 million (incl. GST), and is due to settle in June 2010. The transaction is now unconditional. The proceeds will be applied towards reduction of bank debt.

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration under section 307C of the Corporations Act 2001 is set out on page 15 for the half-year ended 31 December 2009.

Signed in accordance with a resolution of the directors.



Lee Verios

Chairman

26 February 2010

Perth

Western Australia

PORT BOUVARD LIMITED AND ITS CONTROLLED ENTITIES

**Consolidated Statement of Comprehensive Income
For the Half-Year Ended 31 December 2009**

	Note	Consolidated	
		31 December 2009 \$'000	31 December 2008 \$'000
Revenue from continuing operations			
Sale of goods		10,188	6,636
Rendering of services		4	99
Rental revenue		68	390
Finance revenue		22	6
Revenue		10,282	7,131
Other income		293	12
Cost of sales		(7,312)	(4,485)
Commissions and discounts		(1,452)	(122)
Employee benefits expense		(990)	(1,338)
Share based payments expense	5	(78)	(388)
Advertising and marketing		(257)	(115)
Depreciation and amortisation		(21)	(117)
Finance costs		(149)	(138)
Rates and taxes		(266)	(363)
Repairs and maintenance		(168)	(252)
Consultants		(238)	(112)
Legal fees		(214)	(136)
Rental expenses		(87)	(263)
Other expenses		(863)	(831)
Write down of loan receivable from joint venture		(1,400)	-
Bad debts expense		(733)	-
Share of net profit / (loss) of joint venture		137	-
Write (down) / back investment in joint venture		(137)	-
Fair value write down	1(c)	(16,458)	(357)
Loss before income tax		(20,111)	(1,874)
Income tax benefit		6,006	670
Loss after tax from continuing operations attributable to members of Port Bouvard Limited for the half-year		(14,105)	(1,204)
Comprehensive loss attributable to members of Port Bouvard Limited for the half-year		(14,105)	(1,204)
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company:			
Basic earnings / (loss) per share		(10.78¢)	(0.92¢)
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings / (loss) per share		(10.78¢)	(0.92¢)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying explanatory notes.

PORT BOUVARD LIMITED AND ITS CONTROLLED ENTITIES

**Consolidated Statement of Financial Position
As At 31 December 2009**

	Note	Consolidated	
		31 December 2009 \$'000	30 June 2009 \$'000
Current Assets			
Cash and cash equivalents		1,196	2,562
Trade and other receivables		1,889	3,830
Inventories		60,876	51,900
Other assets		1,044	1,808
Current Assets		65,005	60,100
Non-current assets classified as held-for-sale		10,554	13,975
Total Current Assets		75,559	74,075
Non-Current Assets			
Inventories		146,795	147,756
Property, plant and equipment		114	138
Deferred tax assets		22,177	15,205
Other assets		167	160
Total Non-Current Assets		169,253	163,259
TOTAL ASSETS		244,812	237,334
Current Liabilities			
Trade and other payables		7,524	12,953
Borrowings		95,000	51,906
Other provisions		85	85
Total Current Liabilities		102,609	64,944
Non-Current Liabilities			
Borrowings		30,265	47,531
Deferred tax liabilities		7,263	6,137
Provisions		30	50
Total Non-Current Liabilities		37,558	53,718
TOTAL LIABILITIES		140,167	118,662
NET ASSETS		104,645	118,672
EQUITY			
Contributed equity	7	141,974	141,974
Share – based payments reserve		697	619
Accumulated losses		(38,026)	(23,921)
TOTAL EQUITY		104,645	118,672

The above consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes.

PORT BOUVARD LIMITED AND ITS CONTROLLED ENTITIES

Consolidated Statement of Changes in Equity
For the Half-Year Ended 31 December 2009

Consolidated	Attributable to owners of Port Bouvard Limited					
		Contributed equity	Share based payment reserve	Retained earnings / accumulated losses	Total	Total equity
	Note	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2008		141,935	472	4,575	146,982	146,982
Loss for the half-year		-	-	(1,204)	(1,204)	(1,204)
Total comprehensive income for the period		-	-	(1,204)	(1,204)	(1,204)
Transactions with owners in their capacity as owners:						
Share - based payments reserve		-	(34)	422	388	388
Balance at 31 December 2008		141,935	438	3,793	146,166	146,166
Balance at 1 July 2009		141,974	619	(23,921)	118,672	118,672
Loss for the half-year		-	-	(14,105)	(14,105)	(14,105)
Total comprehensive income for the period		-	-	(14,105)	(14,105)	(14,105)
Transactions with owners in their capacity as owners:						
Share - based payments reserve		-	78	-	78	78
Balance at 31 December 2009		141,974	697	(38,026)	104,645	104,645

The above consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes.

PORT BOUVARD LIMITED AND ITS CONTROLLED ENTITIES

**Consolidated Statement of Cash Flows
For the Half-Year Ended 31 December 2009**

	Note	Consolidated	
		31 December 2009 \$'000	31 December 2008 \$'000
Cash flows from operating activities			
Receipts from customers		12,425	9,909
Payments to suppliers and employees		(37,805)	(34,451)
Interest received		22	6
Interest and other costs paid		(4,174)	(3,317)
Income tax paid / (received)		158	2,753
Net cash flows from / (used in) operating activities		(29,374)	(25,100)
Cash flows from investing activities			
Proceeds on disposal of property, plant and equipment		-	1
Payments for property, plant and equipment		(20)	(258)
Repayment of loan by joint venture		2,200	1,399
Net cash flows from investing activities		2,180	1,142
Cash flows from financing activities			
Proceeds from borrowings		38,845	34,560
Repayment of borrowings		(13,017)	(12,048)
Net cash flows from financing activities		25,828	22,512
Net increase / (decrease) in cash and cash equivalents		(1,366)	(1,446)
Cash and cash equivalents at beginning of the half-year		2,562	1,789
Cash and cash equivalents at the end of the half-year		1,196	343

The above consolidated statement of cash flows should be read in conjunction with the accompanying explanatory notes.

PORT BOUVARD LIMITED AND ITS CONTROLLED ENTITIES

Explanatory Notes to the Financial Statements For the Half-Year Ended 31 December 2009

1. SIGNIFICANT ACCOUNTING POLICIES

(a) 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 and Australian Accounting Standard AASB 134 *Interim Financial Reporting*.

It is recommended that these financial statements be read in conjunction with the annual financial statements for the year ended 30 June 2009 and any public announcements made by Port Bouvard Limited and its controlled entities during the half-year in accordance with the continuous disclosure requirements arising under the Corporations Act 2001.

The half-year financial statements do not include full disclosures of the type normally included in annual financial statements.

At 31 December 2009, there was a shortfall of current assets when compared to current liabilities. This shortfall is adequately covered by bank facilities the group has in place. Also refer to note 1(d).

(b) New accounting standards

The Consolidated Entity has for the first time adopted the following new and revised accounting standards in the half-year financial statements:

AASB 8 *Operating Segments*
Revised AASB 101 *Presentation of Financial Statements*
Revised AASB 3 *Business Combinations*

(c) Reporting basis and conventions

The half-year financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-financial assets. Revaluation of non-financial assets occurs in order to reflect the recoverable amount of each non-financial asset in accordance with appropriate accounting standards AASB 136 *Impairment* and AASB 102 *Inventories* in the financial statements. As a result, the Consolidated Entity may use the fair value or value in use basis of accounting for non-financial assets. More detail on the fair value and value in use basis of accounting adopted by the Consolidated Entity is provided below.

Net realisable value write-down of non-financial assets

The Consolidated Entity assesses net realisable value of all non-financial assets at each reporting date in accordance with AASB102 *Inventories* to ensure that values reported represent the lower of cost or net realisable value for inventories. The assessment considers conditions specific to the Consolidated Entity and in particular to the non-financial assets concerned. The results of the assessment may give rise to write-downs of non-financial assets. The Consolidated Entity considers net realisable value to be the net amount it will realise from sale of the fully developed or constructed asset, less the costs of development or construction, and less the estimated costs necessary to make the sale, in the ordinary course of business. The Consolidated Entity reports in its financial statements the lower of carrying cost and net realisable value.

In determining net realisable value the Consolidated Entity uses the most reliable information available at the time the assessment is made. The Consolidated Entity uses value in use measurement techniques, that is, calculation of the present value of future cash flows expected to be derived from the asset. The Consolidated Entity's value in use calculations to support the estimated net realisable value at 31 December 2009 incorporated a number of key estimates and assumptions:

- A pre-tax discount rate of 25%;
- Sales prices and construction costs are estimated at levels current at the date of calculation, then indexed / escalated at rates estimated by management to be reflective of future economic conditions. Estimates of escalation rates at 31 December 2009, for both sales and costs were in the range of 3% to 6%; and
- Assumptions in respect of the timing of approvals from government agencies at all levels, in order for projects to proceed.

At 31 December 2009 the assessment of net realisable value of the Consolidated Entity's assets using the value in use basis was made and there were no assets in need of write down in value (2008: nil).

PORT BOUVARD LIMITED AND ITS CONTROLLED ENTITIES

Explanatory Notes to the Financial Statements For the Half-Year Ended 31 December 2009

Write-down of non-financial assets

When value in use measurement techniques (mentioned above) are not the most reliable when determining value of an asset, the Consolidated Entity defers to a net realisable value assessment based on fair value assessment. The Consolidated Entity assesses fair value of all non-financial assets that it expects to dispose of outside the ordinary course of business at each reporting date. Fair value reflects the amount which could be exchanged between the Consolidated Entity and knowledgeable willing buyers in the marketplace. In order to determine fair value, the Consolidated Entity engages independent professional valuation firms specialising in the property industry or from bank valuations.

At 31 December 2009 an assessment of fair value of the Consolidated Entity's assets required that asset values be written down and this amounted to \$16,458,394 (2008: \$357,000).

(d) Going concern

The Consolidated Entity has a short term covenant in its banking facilities which requires repayment of \$20 million plus further amounts that may be required to support the purchase of land at Gidgegannup by a subsidiary (refer to note 4) by 30 April 2010.

In the event that the Consolidated Entity is not able to secure appropriate capital raising and renegotiation with St George Bank ("**the bank**") for an extension of time of this short term covenant, uncertainty exists as to whether the Consolidated Entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business. Should equity funding not be put in place and the bank not agree to an extension of time of this short term covenant, it may affect the value of the assets and liabilities of the Consolidated Entity, such that they may differ from the amounts stated in the financial report.

The half-year financial statements of the Consolidated Entity do not include any provision or adjustment relating to the recoverability or classification of recorded asset or liability amounts. Such adjustments may be necessary should the Consolidated Entity not be able to continue as a going concern.

2. DIVIDENDS

No dividends have been declared for the period.

PORT BOUVARD LIMITED AND ITS CONTROLLED ENTITIES

**Explanatory Notes to the Financial Statements
For the Half-Year Ended 31 December 2009**

3. SEGMENT INFORMATION

(a) General information

In accordance AASB 8 *Operating Segments*, the Consolidated Entity assessed for the half-year reporting period ended 31 December 2009 what information is necessary to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.

Based upon this assessment, the Audit Committee of the Consolidated Entity determined that it operated one business segment of property development in Australia. Operating results of the property development business segment are regularly reviewed by the Chief Operating Decision Maker, identified as the Board of Directors, to make decisions about resource allocation to that business and assess its performance.

(b) Segment information provided to the Board of Directors

	Property Development	
	31 December 2009	31 December 2008
	\$'000	\$'000
Total segment revenue from external customers	10,575	7,143
Revenue from external customers	10,575	7,143
Adjusted EBIT	(19,886)	(1,237)
	31 December 2009	30 June 2009
	\$'000	\$'000
Assets and liabilities:		
Segment assets	244,812	237,334
Segment liabilities	140,167	118,662
Net assets	104,645	118,672

A reconciliation of adjusted EBIT to operating profit (loss) before income tax is provided below.

	Property Development	
	31 December 2009	31 December 2008
	\$'000	\$'000
Adjusted EBIT	(19,886)	(1,237)
Interest revenue	22	6
Finance costs	(149)	(138)
Depreciation expense	(21)	(117)
Share based payments expense	(77)	(388)
Profit / (loss) before income tax from continuing operations	(20,111)	(1,874)

PORT BOUVARD LIMITED AND ITS CONTROLLED ENTITIES

**Explanatory Notes to the Financial Statements
For the Half-Year Ended 31 December 2009**

4. CONTINGENCIES

	Consolidated	
	31 December 2009 \$'000	30 June 2009 \$'000
Contingent liabilities		
Details and estimates of maximum amounts of contingent liabilities are as follows:		
<i>Guarantees</i>		
The Consolidated Entity has provided guarantees in respect of certain undertakings of the Port Bouvard Project, in favour of:		
The City of Mandurah	1,074	1,074
Department of Planning and Infrastructure	50	150
	1,124	1,224

Other

A subsidiary has entered into various agreements in relation to the acquisition of land at Gidgegannup. Two of these agreements contain put options giving the current land owner the opportunity to require the subsidiary to acquire the relevant land. The first option is for \$30,000,000 and expires on 15 July 2010 and the second is for an amount in the range of \$15,000,000 to \$24,000,000 and expires on 15 July 2011.

Contingent assets

A subsidiary has entered into various agreements in relation to the acquisition of land at Gidgegannup. Two of these agreements contain call options giving the subsidiary an option to acquire the relevant land. The first option is for \$30,000,000 and expires on 15 July 2010 and the second is for an amount in the range of \$15,000,000 to \$24,000,000 and expires on 15 July 2011.

5. SHARE BASED PAYMENTS

On 30 July 2007 the Board approved the Port Bouvard Limited Employee Option Plan (“the Plan”) that entitles key management personnel to purchase shares in the entity. There were no new Options issued under the Plan during the half-year ending 31 December 2009 (2008: 3,250,000 Options).

Set out below is a summary of Options under the Plan.

Grant date	Expiry date	Exercise price (\$)	Balance at start of the year (number)	Granted during the period (number)	Exercised during the period (number)	Forfeited during the period (number) ¹	Balance at end of the period (number)	Vested and exercisable at end of the period (number)
22 August 2007	21 August 2012	2.12	1,500,000	-	-	-	1,500,000	1,500,000
28 November 2007	27 November 2012	2.40	666,667	-	-	(666,667)	-	-
9 December 2008	8 December 2013	0.26	3,100,000	-	-	(666,666)	2,433,334	2,016,667
			5,266,667	-	-	(1,333,333)	3,933,334	3,516,667

PORT BOUVARD LIMITED AND ITS CONTROLLED ENTITIES

Explanatory Notes to the Financial Statements For the Half-Year Ended 31 December 2009

6. RELATED PARTY TRANSACTIONS

Arrangements with related parties continue to be in place. For details on these arrangements refer to the 30 June 2009 Annual Financial Statements.

7. CONTRIBUTED EQUITY

Date	Details	Number of shares		Value of shares	
		Movement	Balance	Movement \$	Balance \$
1 July 2009	Opening balance		<u>130,791,372</u>		<u>141,973,996</u>
Balance at 31 December 2009			<u>130,791,372</u>		<u>141,934,996</u>
1 July 2008	Opening balance		<u>130,641,372</u>		<u>141,934,996</u>
Balance at 31 December 2008			<u>130,641,372</u>		<u>141,934,996</u>

8. EVENTS OCCURRING AFTER REPORTING DATE

Since the end of the half-year the Directors of the Consolidated Entity resolved to develop the Melros site rather than market it for sale as an englobo site. The accounting impact of this resolution has not been reflected in the Interim Financial Report of the Consolidated Entity.

Other than that mentioned above, there have been no other matters or circumstances that have arisen since 31 December 2009 that have significantly affected, or may significantly affect:

- the Consolidated Entity's operations in future financial years;
- the results of those operations in future financial years; or
- the Consolidated Entity's state of affairs in future financial years.

PORT BOUVARD LIMITED AND ITS CONTROLLED ENTITIES

Directors' Declaration

The directors declare that the financial statements and notes set out on pages 5 to 13:

1. the financial statements and notes of the Company and Group are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations;
 - (b) give a true and fair view of the economic entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
2. in the directors' opinion, and subject to note 1 (d), 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.



Lee Verios

Chairman

26 February 2010

Perth

Western Australia

26 February 2010

The Directors
Port Bouvard Limited
Level 2, Port Bouvard House
129 Melville Parade
COMO, WA 6152

Dear Sirs

DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS OF PORT BOUVARD LIMITED

As lead auditor of Port Bouvard limited for the half-year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Port Bouvard Limited and the entities it controlled during the period.



Brad McVeigh
Director



BDO Audit (WA) Pty Ltd

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PORT BOUVARD LIMITED

Matters Relating to the Electronic Presentation of the Half-Year Financial Report

This auditor's report relates to the half-year financial report of Port Bouvard Limited for the period ended 31 December 2009 included on Port Bouvard Limited's web site. The disclosing entity's directors are responsible for the integrity of Port Bouvard Limited's web site. We have not been engaged to report on the integrity of Port Bouvard Limited's web site. The auditor's review report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this half-year report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed half-year financial report to confirm the information included in the reviewed half-year financial report presented on this web site.

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Port Bouvard Limited, which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation and fair presentation of the half-year 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 controls 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 and Other Financial Reports 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 *Corporations Act 2001* including: giving a true and fair view of the disclosing entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Port Bouvard 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.



Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's review report was made.

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 Port Bouvard 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 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our review conclusion, we draw attention to Note 1(d) in the financial report which indicates that in order for the company to continue as a going concern and comply with its short term debt covenants, the group is required to complete a significant equity raising in the timeframe prescribed by its financiers. This condition, along with other matters set forth in Note 1(d), indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial statements.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink that reads 'BDO' on the top line and 'BMcVeigh' on the bottom line.

Brad McVeigh
Director

Signed in Perth, Western Australia
Dated this 26th day of February 2010.

Appendix 4D Half-year Report

Name of entity

PORT BOUVARD LIMITED

ABN	Reporting Period	Previous Corresponding Period
12 009 134 114	Half-year ended 31 December 2009	Half-year ended 31 December 2008

Results for Announcement to the Market

				\$A'000
Revenues from ordinary activities (<i>item 2.1</i>)	Up	48%	to	10,575
Profit (loss) from ordinary activities after tax attributable to members (<i>item 2.2</i>)	Down	1,072%	to	(14,105)
Net profit (loss) for the period attributable to members (<i>item 2.3</i>)	Down	1,072%	to	(14,105)
Final and interim dividends (<i>item 2.4</i>)	No dividend has been declared or paid in the last 12 months			
Record date for determining entitlements to the dividend (<i>item 2.5</i>)	N/A			
Brief explanation of any of the figures reported above (<i>item 2.6</i>): Please refer to the Interim Financial Report of the Consolidated Entity which accompanies this Appendix.				

	Current Period	Previous Corresponding Period
Net tangible assets per ordinary share (<i>item 3</i>)	\$0.68	\$1.13

Details of entities over which control has been gained or lost (*item 4*)

- Since the previous corresponding period, the Consolidated Entity disposed of its shares in Port Bouvard Marina Pty Ltd which settled on 27 February 2009 and also ceased operating PBD Realty Pty Ltd, the real estate selling agent for the Consolidated Entity and on behalf of third parties, from 1 January 2009.

Details of dividends or distribution payments (*item 5*)

- No dividend has been declared or paid in the last 12 months

Details of dividend or distribution reinvestment plans (*item 6*)

- There is no dividend reinvestment program in operation for Port Bouvard Limited.

Port Bouvard Limited
Appendix 4D
For the Period Ending 31 December 2009

	Current Period	Previous Corresponding Period
Details of associates and joint venture entities (item 7)		
MMM Developments Pty Ltd		
- Percentage holding	50%	50%
- Aggregate share of profit (losses) of the entity	\$104,493	\$(133,459)
- Contribution of entity to net profit	\$104,493	\$(133,459)
Lighthouse Investments Pty Ltd		
- Percentage holding	50%	50%
- Aggregate share of profit (losses) of the entity	\$19,271	\$(24,613)
- Contribution of entity to net profit	\$19,271	\$(24,613)
Goodrock Corporation Pty Ltd		
- Percentage holding	50%	50%
- Aggregate share of profit (losses) of the entity	\$4,850	\$(6,435)
- Contribution of entity to net profit	\$4,850	\$(6,435)
DD Developments Pty Ltd		
- Percentage holding	50%	50%
- Aggregate share of profit (losses) of the entity	\$8,511	\$(11,112)
- Contribution of entity to net profit	\$8,511	\$(11,112)

Foreign entities to disclose which accounting standards are used in compiling the report (item 8)
N/A

Description of any audit dispute or qualification (item 9)
The auditor's review report is attached to the Interim Financial Report which accompanies this Appendix.



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Peter Coppini
Company Secretary
Port Bouvard Limited

26 February 2010

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