

BBX CAPITAL CORP  
Form 425  
November 09, 2016

Filed by BBX Capital Corporation  
pursuant to Rule 425 under the Securities Act of 1933  
and deemed filed pursuant to Rule 14a-12  
under the Securities Exchange Act of 1934  
Subject Company: BBX Capital Corporation  
Commission File No.: 001-13133

### **BBX Capital Corporation Reports Financial Results**

#### **For the Third Quarter, 2016**

FORT LAUDERDALE, Florida November 9, 2016 BBX Capital Corporation ( BBX Capital and/or the Company ) (NYSE: BBX) reported financial results for the three month period ended September 30, 2016.

#### **BBX Selected Financial Data**

##### **Third Quarter 2016 Compared to Third Quarter 2015:**

Total consolidated revenues of \$29.7 million vs. \$25.5 million

Net income attributable to BBX Capital of \$21.7 million vs. \$3.1 million

Diluted earnings per share of \$1.26 vs. \$0.18

Equity in earnings of Woodbridge Holdings, LLC of \$10.3 million in both periods

Equity in earnings of unconsolidated real estate joint ventures of \$4.5 million vs. loss of (\$0.2) million  
As of September 30, 2016, BBX Capital had total consolidated assets of \$407.2 million, shareholders' equity attributable to BBX Capital of \$356.1 million, and total consolidated equity of \$358.0 million. BBX Capital's book value per share was \$21.43 at September 30, 2016, compared to \$19.49 at September 30, 2015.

Jarett S. Levan, Acting Chairman and Chief Executive Officer of BBX Capital, commented, "Since the sale of BankAtlantic in July 2012, BBX Capital has been repositioning its business, monetizing its legacy portfolios of loans and real estate, and pursuing its goal of transitioning into a growth business by focusing on real estate opportunities

and acquiring operating businesses. The majority of BBX Capital's assets do not generate income on a regular or predictable basis. Recognizing the nature of BBX Capital's assets, BBX Capital's goal is to build long-term value as opposed to focusing on quarterly or annual earnings. While capital markets generally encourage short term results, BBX Capital's objective continues to be long term growth as measured by increases in book value per share over time.

As previously announced in July 2016, BBX Capital and BFC Financial Corporation ( BFC Financial or BFC ) (OTCQB: BFCF; BFCFB) entered into a definitive merger agreement between the companies. BFC has held a meaningful stake in BBX since 1987, and if the proposed merger is consummated, BBX Capital will become a wholly-owned subsidiary of BFC. The proposed merger of BFC and BBX Capital is intended to simplify our corporate structure and intended to consolidate and streamline the combined companies, Levan concluded.

Under the terms of the merger agreement, which was unanimously approved by a special committee comprised of BBX Capital's independent directors as well as the boards of directors of both companies, BBX Capital's shareholders other than BFC will be entitled to receive, at their election, 5.4 shares of BFC's Class A Common Stock or \$20.00 in cash for each share of BBX Capital's Class A Common Stock held by them. BBX Capital's shareholders will have the right to elect to make different elections with respect to different shares so they may elect to receive all cash, all stock, or a combination of cash and stock in exchange for their shares. BFC currently owns approximately 82% of BBX Capital's Class A Common Stock and 100% of its Class B Common Stock.

### **Real Estate**

Real Estate consists of our legacy portfolio of loans and foreclosed real estate which were previously associated with our former wholly-owned subsidiary, BankAtlantic, and our real estate joint ventures. Since the sale of BankAtlantic we have liquidated some of our legacy real estate and loans while holding and managing others for capital appreciation and development. Highlights during the third quarter of 2016 include:

Equity in earnings of unconsolidated real estate joint ventures were \$4.5 million primarily reflecting closings on single-family units by the Hialeah Communities joint venture and the Village at Victoria Park joint venture

Recoveries from loans previously charged off of \$10.9 million

Gains on real estate sales of \$5.0 million

### **Middle Markets**

We are actively engaged in investments in and management of operating companies. Our primary investments as of September 30, 2016 were our investments in Renin Holdings, LLC ( Renin ) and BBX Sweet Holdings.

Renin, a manufacturer and distributor of door systems and hardware for the retail, commercial, OEM door manufacturer, and door fabricator channels, had sales of \$15.6 million during the three months ended September 30, 2016 compared to sales of \$14.5 million during the comparable 2015 period. Renin generated a net loss of (\$359,000) during the three months ended September 30, 2016 compared to a net loss of (\$365,000) during the comparable 2015 period. The increase in Renin's sales during the 2016 period reflects increased sales of its barn door products.

BBX Sweet Holdings reported sales of \$6.5 million during the three months ended September 30, 2016 compared to sales of \$7.1 million during the comparable 2015 period. BBX Sweet Holdings reported a net loss of (\$2.8) million during the three months ended September 30, 2016 compared to a net loss of (\$2.7) million during the comparable 2015 period. BBX Sweet Holdings continued to incur costs to integrate companies, which it had acquired during 2014 and 2015, and higher compensation expense related to the hiring of senior management. Also contributing to the net losses were the costs associated with five Hoffman's retail stores opened during 2015 and 2016. It is anticipated that BBX Sweet Holdings will continue to experience losses as it incurs expenses associated with these activities and the continued expansion of its business.

### **Bluegreen Corporation**

Bluegreen is a wholly-owned subsidiary of Woodbridge Holdings, LLC ( Woodbridge ). BBX Capital owns a 46% interest in Woodbridge and BFC Financial Corporation ( BFC ) owns the remaining 54% of Woodbridge. Woodbridge's principal asset is its 100% ownership of Bluegreen.

Bluegreen is a sales, marketing, and management company focused on the vacation ownership industry. Bluegreen markets, sells and manages vacation ownership interests ( VOIs ) in resorts, which are generally located in popular, high-volume, drive-to vacation destinations. The resorts in which Bluegreen markets, sells or manages VOIs were either developed or acquired by Bluegreen, or were developed and are owned by third parties. Bluegreen earns fees for providing sales and marketing services to these third party developers. Bluegreen also earns fees by providing management services to the Bluegreen Vacation Club and property owners associations ( POAs ), mortgage servicing,

VOI title services, reservation services, and construction design and development services. In addition, Bluegreen provides financing to purchasers of VOIs.

During the three month period ended September 30, 2016, Bluegreen paid cash dividends of \$20.0 million to Woodbridge, Bluegreen's parent company, and Woodbridge in turn paid \$8.8 million of cash dividends to BBX Capital and \$10.3 million of cash dividends to BFC. During the nine month period ended September 30, 2016, Bluegreen paid cash dividends of \$45.0 million to Woodbridge, and Woodbridge in turn paid \$19.5 million of cash dividends to BBX Capital and \$22.9 million of cash dividends to BFC.

**Bluegreen Selected Financial Data**

**Third Quarter 2016 Compared to Third Quarter 2015:**

System-wide sales of VOIs, net of equity trade allowances <sup>(2)</sup>, were \$172.7 million vs. \$162.0 million. Included in system-wide sales are sales of VOIs made under Bluegreen's capital-light business strategy <sup>(1)</sup> which were \$144.6 million vs. \$115.6 million, gross of equity trade allowances<sup>(2)</sup>:

- o Sale of third party VOIs on commission basis were \$88.1 million vs. \$70.4 million and generated sales and marketing commissions of \$59.4 million vs. \$51.0 million
- o Secondary market sales of VOIs were \$45.4 million vs. \$42.0 million
- o Just-in-time sales of VOIs were \$11.1 million vs. \$3.1 million

Average sales price per transaction was \$13,679 vs. \$13,267

Sales volume per guest was \$2,196 vs. \$2,386

Tours increased 15%

Other fee-based services revenue was \$26.8 million vs. \$24.8 million

Net income attributable to Bluegreen was \$22.6 million vs. \$23.3 million

EBITDA was \$43.2 million vs. \$45.6 million <sup>(3)</sup>

Free cash flow (cash flow from operating activities less capital expenditures) was \$18.6 million compared to \$32.7 million during the same period in 2015

(1) Bluegreen's sales of VOIs under its capital-light business strategy include sales of VOIs under fee-based sales and marketing arrangements, just-in-time inventory acquisition arrangements, and secondary market arrangements. Under just-in-time arrangements, Bluegreen enters into agreements with third party developers that allow Bluegreen to buy VOI inventory from time to time in close proximity to the timing of when Bluegreen intends to sell such VOIs. Bluegreen also acquires VOI inventory from resorts, POA and other third parties close to the time Bluegreen intends to sell such VOIs. Such VOIs are typically

obtained by the POAs through foreclosure in connection with maintenance fee defaults, and are generally acquired by Bluegreen at a significant discount. Bluegreen refers to sales of inventory acquired through these arrangements as Secondary Market Sales.

(2) Equity trade allowances are amounts granted to customers upon trading in their existing VOIs in connection with the purchase of additional VOIs.

(3) See the supplemental tables included in this release for a reconciliation of EBITDA to net income.

Financial data for BBX Capital and Bluegreen, including BBX Capital's equity earnings in Woodbridge, is provided in the supplemental financial tables included in this release.

For more complete and detailed information regarding BBX Capital and its financial results, business, operations, and risks, please see BBX Capital's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016, and BBX Capital's Annual Report on Form 10-K for the year ended December 31, 2015, which are available to view on the SEC's website, [www.sec.gov](http://www.sec.gov), or on BBX Capital's website, [www.BBXCapital.com](http://www.BBXCapital.com).

For more complete and detailed information regarding BFC Financial and/or Bluegreen Corporation and their financial results, business, operations and risks, please see BFC's financial results press release for the quarter ended September 30, 2016, BFC's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016, and BFC's Annual Report on Form 10-K for the year ended December 31, 2015, which are available on the SEC's website, [www.sec.gov](http://www.sec.gov), and on BFC's website, [www.BFCFinancial.com](http://www.BFCFinancial.com).

**About BBX Capital Corporation:**

BBX Capital (NYSE: BBX) is involved in the acquisition, ownership and management of joint ventures and investments in real estate and real estate development projects, as well as acquisitions, investments and management of middle market operating businesses. In addition, BBX Capital and its controlling shareholder, BFC Financial Corporation, have a 46% and 54% respective ownership interest in Bluegreen Corporation. As a result of their ownership interests, BBX Capital and BFC together own 100% of Bluegreen. As of September 30, 2016, BBX Capital had total consolidated assets of \$407.2 million, shareholders' equity attributable to BBX Capital of \$356.1 million, and total consolidated equity of \$358.0 million. BBX Capital's book value per share at September 30, 2016 was \$21.43.

**About Bluegreen Corporation:**

Founded in 1966 and headquartered in Boca Raton, FL, Bluegreen is a sales, marketing and resort management company, focused on the vacation ownership industry and pursuing a capital-light business strategy. Bluegreen manages, markets and sells the Bluegreen Vacation Club, a flexible, points-based, deeded vacation ownership plan with more than 200,000 owners, 66 owned or managed resorts, and access to more than 4,500 resorts worldwide. Bluegreen also offers a portfolio of comprehensive, turnkey, fee-based services, including resort management services, financial services, and sales and marketing services, to or on behalf of third parties. For more information, visit [www.BluegreenVacations.com](http://www.BluegreenVacations.com).

**About BFC Financial Corporation:**

BFC (OTCQB: BFCF; BFCFB) is a holding company whose principal holdings include an 82% ownership interest in BBX Capital Corporation (NYSE: BBX) and its indirect ownership interest in Bluegreen Corporation. BFC owns a 54% equity interest in Woodbridge, the parent company of Bluegreen. BBX Capital owns the remaining 46% equity interest in Woodbridge. As of September 30, 2016, BFC had total consolidated assets of \$1.4 billion, shareholders' equity attributable to BFC of \$400.6 million, and total consolidated equity of \$508.7 million. BFC's book value per share at September 30, 2016 was \$4.70.

**For further information, please visit our family of companies:**

BBX Capital: [www.BBXCcapital.com](http://www.BBXCcapital.com)

Bluegreen Corporation: [www.BluegreenVacations.com](http://www.BluegreenVacations.com)

BFC Financial Corporation: [www.BFCFinancial.com](http://www.BFCFinancial.com)

**BBX Capital Contact Info:**

Investor Relations: Leo Hinkley, Managing Director, 954- 940-5300

Email: [LHinkley@BBXCcapital.com](mailto:LHinkley@BBXCcapital.com)

Media Contact: Kip Hunter Marketing, 954-765-1329

Aimee Adler/ Jodi Goldstein

Email: [aimee@kiphuntermarketing.com](mailto:aimee@kiphuntermarketing.com), [jodi@kiphuntermarketing.com](mailto:jodi@kiphuntermarketing.com)





---

**Additional Information Regarding the Proposed Merger between BBX Capital and BFC and Where to Find it:**

In connection with the proposed merger between BBX Capital and BFC, BFC will file with the SEC a Registration Statement on Form S-4 that will include a prospectus of BFC and a proxy statement of BBX Capital. The proxy statement/prospectus will be sent to the shareholders of BBX. Investors and shareholders will be able to obtain a copy of the proxy statement/prospectus and other documents filed with the SEC containing information about BFC and BBX Capital free-of-charge from the SEC's website at [www.sec.gov](http://www.sec.gov). Copies of documents filed with the SEC by BFC will be made available free-of-charge on BFC's website at [www.bfcfinancial.com](http://www.bfcfinancial.com), under the Investor Relations tab, or by written request to BFC Financial Corporation, 401 East Las Olas Boulevard, Suite 800, Fort Lauderdale, Florida 33301, Attention: Investor Relations, or by phone at 954-940-4900. Copies of documents filed with the SEC by BBX Capital will be made available free-of-charge on BBX Capital's website at [www.bbxcapital.com](http://www.bbxcapital.com), under the Investor Relations tab, or by written request to BBX Capital Corporation, 401 East Las Olas Boulevard, Suite 800, Fort Lauderdale, Florida 33301, Attention: Investor Relations, or by phone at 954-940-4000. **Investors and shareholders are advised to read the proxy statement/prospectus when it is available because it will contain important information.**

BFC, BBX and certain of their respective directors and executive officers may, under the rules of the SEC, be deemed to be participants in the solicitation of proxies from BBX's shareholders in connection with the proposed merger. Information about the directors and executive officers of BFC is set forth in BFC's Proxy Statement on Schedule 14A for its 2016 Annual Meeting of Shareholders, which was filed with the SEC on April 28, 2016. Information about the directors and executive officers of BBX Capital is set forth in BBX Capital's Proxy Statement on Schedule 14A for its 2016 Annual Meeting of Shareholders, which was filed with the SEC on April 25, 2016. These documents can be obtained free-of-charge from the sources indicated above. Information concerning the interests of the persons who may be considered participants in the solicitation will be set forth in the proxy statement/prospectus relating to the merger when it becomes available.

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval in any jurisdiction where such an offer or solicitation is unlawful. Any such offer will be made only by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended (the Securities Act).

###

*This press release contains forward-looking statements based on current expectations that involve a number of risks and uncertainties. All opinions, forecasts, projections, future plans or other statements, other than statements of historical fact, are forward-looking statements and may include words or phrases such as plans, believes, will, expects, anticipates, intends, estimates, our view, we see, would and words and phrases of similar import. The forward looking statements in this press release are also forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and involve substantial risks and uncertainties. We can give no assurance that such expectations will prove to be correct. Future results could differ materially as a result of a variety of risks and uncertainties, many of which are outside of the control of management.*

When considering forward-looking statements, the reader should keep in mind the risks, uncertainties and other cautionary statements made herein, including, but not limited to: risks associated with the currently proposed merger between BBX Capital and BFC Financial, including that the potential benefits of the merger may not be realized, and that the merger may not be consummated when expected, on the contemplated terms, or at all. In addition, some factors which may affect the accuracy of the forward-looking statements apply generally to the industries in which our subsidiaries operate, including, but not limited to the impact of economic, competitive and other factors affecting BBX Capital and its assets, including the impact of decreases in real estate values on BBX Capital's business, the value of BBX Capital's assets, the ability of BBX Capital's borrowers to service their obligations and the value of collateral securing BBX Capital's loans; the risk of loan losses and the risks of additional charge-offs, impairments and required increases in BBX Capital's allowance for loan losses and trade receivables; the risk of loss of significant customers or key personnel in our operating companies; the risk of losses associated with excess and obsolete inventory and the risks of additional required reserves for lower of cost or market value losses in inventory; the adverse impact of and expenses associated with litigation including the risk that the SEC may prevail in a new trial in connection with the action brought by the SEC against BBX Capital and Alan B. Levan; the public debt market and other financial and credit markets and the impact of such conditions on BBX Capital's activities; the risk that the assets retained by BBX Capital as part of the sale of BankAtlantic to BB&T may not be monetized at the values currently ascribed to them and the risks associated with the impact of periodic valuation of BBX Capital's assets for impairment. In addition, this document contains forward looking statements relating to BBX Capital's ability to successfully implement its currently anticipated business plans, which may not be realized as anticipated, if at all, and BBX Capital's current and anticipated investments in operating businesses may not achieve the returns anticipated or may not be profitable, including the risks associated with the operations and activities of: BBX Capital's investment in Bluegreen (through Woodbridge), BBX Sweet Holdings' acquisition of Hoffman's, Williams & Bennett, Jer's Chocolates, Droga Chocolates, Helen Grace Chocolates, Anastasia Confections and Kencraft, and BBX Capital's acquisition with BFC of Renin. This document also contains forward looking statements relating to BBX Capital's investments in real estate developments, either directly or through joint ventures. These risks include: exposure to downturns in the real estate and housing markets; exposure to risks associated with real estate development activities; risks associated with obtaining necessary zoning and entitlements; risks that BBX Capital's joint venture partners may not fulfill their obligations and concentration risks associated with entering into numerous joint ventures with one joint venture partner; risk of reliance on third party developers or joint venture partners to complete real estate projects, and risks that the projects will not be developed as anticipated or be profitable. BBX Capital's investment in Woodbridge, which owns Bluegreen Corporation, exposes BBX Capital to: risks relating to Bluegreen's business and Bluegreen's ability to pay dividends to Woodbridge and in turn Woodbridge's ability to pay dividends to BBX Capital, and risks inherent in the vacation ownership industry, including risks associated with regulatory compliance and customer complaints and other risks which are identified in BFC's Annual Report on Form 10-K filed on March 15, 2016 with the SEC and available on the SEC's website at [www.sec.gov](http://www.sec.gov). BBX Sweet Holdings acquisitions and BBX Capital's acquisition of the assets of Renin Corp exposes BBX Capital to the risks of their respective businesses, which include: the amount and terms of indebtedness associated with the acquisitions which may impact BBX Capital's financial condition and results of operations and limit BBX Capital's activities; the failure of the companies to meet financial covenants and that BBX Capital may be required to make further capital contributions or advances to the acquired companies; the risk that the businesses acquired by BBX Capital (including future acquisitions) may not be profitable or perform as anticipated; the risk of commodity price volatility; the risk that the integration of these operating businesses may not be completed effectively or on a timely basis; the risk that BBX Capital may not realize any anticipated benefits or profits from these acquisitions; and Renin's operations expose BBX Capital to foreign currency exchange risk of the U.S. dollar compared to the Canadian dollar and Great Britain pound. Past performance and perceived trends may not be indicative of future results. In addition to the risks and factors identified above, reference is also made to other risks and factors detailed in BBX Capital's Annual Report on Form 10-K, for the year ended December 31, 2015. BBX Capital cautions that the foregoing factors are not exclusive.

**BBX CAPITAL CORPORATION AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION Unaudited**

(In thousands, except share data)	September 30, 2016	December 31, 2015
<b>ASSETS</b>		
Cash and cash equivalents	\$ 120,266	69,040
Restricted cash and time deposits	350	2,651
Loans held-for-sale		21,354
Loans receivable, net	28,616	34,035
Trade receivables, net of allowance for bad debts of \$190 in 2016 and \$404 in 2015	14,823	13,732
Real estate held-for-investment	21,720	31,290
Real estate held-for-sale	35,729	46,338
Investments in unconsolidated real estate joint ventures	43,318	42,962
Investment in Woodbridge Holdings, LLC	78,152	75,545
Properties and equipment	24,523	18,083
Inventories	18,189	16,347
Goodwill	7,601	7,601
Other intangible assets	7,823	8,211
Other assets	6,102	6,316
<b>Total assets</b>	<b>\$ 407,212</b>	<b>393,505</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 9,739	11,059
Notes payable, net of debt issuance costs	15,547	21,385
Principal and interest advances on residential loans	8,255	10,356
Other liabilities	15,716	14,726
<b>Total liabilities</b>	<b>49,257</b>	<b>57,526</b>
Commitments and contingencies		
<b>Equity:</b>		
Preferred stock, \$.01 par value, 10,000,000 shares authorized; none issued and outstanding		
Class A common stock, \$.01 par value, authorized 25,000,000 shares; issued and outstanding 16,422,743 and 16,199,145 shares	164	162
Class B common stock, \$.01 par value, authorized 1,800,000 shares; issued and outstanding 195,045 and 195,045 shares	2	2
Additional paid-in capital	352,584	350,878
Accumulated earnings (deficit)	2,578	(16,622)
Accumulated other comprehensive income	737	384
<b>Total BBX Capital Corporation shareholders equity</b>	<b>356,065</b>	<b>334,804</b>

Edgar Filing: BBX CAPITAL CORP - Form 425

Noncontrolling interest	1,890	1,175
Total equity	357,955	335,979
<b>Total liabilities and equity</b>	<b>\$ 407,212</b>	<b>393,505</b>

## BBX CAPITAL CORPORATION AND SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS-UNAUDITED

(In thousands)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
<b>Revenues:</b>				
Trade sales	\$ 22,078	21,537	64,290	60,655
Interest income	1,321	2,720	3,301	5,628
Net gains (losses) on the sales of assets	5,034	(145)	5,326	15,296
Income from real estate operations	312	851	2,278	2,790
Other	959	572	2,220	1,490
<b>Total revenues</b>	<b>29,704</b>	<b>25,535</b>	<b>77,415</b>	<b>85,859</b>
<b>Costs and expenses:</b>				
Cost of goods sold	16,674	16,186	50,680	44,216
Interest expense	(128)	5	193	193
Real estate operating expenses	484	1,003	2,323	3,048
Recoveries from loan losses, net	(10,944)	(4,427)	(18,979)	(14,856)
Asset impairments (recoveries), net	(30)	274	1,692	(1,599)
Selling, general and administrative expenses	16,837	19,398	50,699	49,424
<b>Total costs and expenses</b>	<b>22,893</b>	<b>32,439</b>	<b>86,415</b>	<b>80,426</b>
Equity in earnings of Woodbridge Holdings, LLC	10,307	10,306	22,101	5,941
Equity in net earnings (losses) of unconsolidated real estate joint ventures	4,480	(158)	5,793	(753)
Foreign exchange gain (loss)	5	(236)	325	(635)
<b>Income before income taxes</b>	<b>21,603</b>	<b>3,008</b>	<b>19,219</b>	<b>9,986</b>
Provision (benefit) for income taxes	5	(31)	5	(250)
<b>Net income</b>	<b>21,598</b>	<b>3,039</b>	<b>19,214</b>	<b>10,236</b>
Net loss (earnings) attributable to noncontrolling interest	101	77	(14)	(1,948)
<b>Net income attributable to BBX Capital Corporation</b>	<b>\$ 21,699</b>	<b>3,116</b>	<b>19,200</b>	<b>8,288</b>
<b>Basic earnings per share</b>	<b>\$ 1.32</b>	<b>0.19</b>	<b>1.17</b>	<b>0.51</b>
<b>Diluted earnings per share</b>	<b>\$ 1.26</b>	<b>0.18</b>	<b>1.12</b>	<b>0.50</b>
Basic weighted average number of common shares outstanding	16,397	16,175	16,395	16,173
	17,270	16,852	17,067	16,692

Diluted weighted average number of common and common  
equivalent shares outstanding

The following table presents BBX Capital's equity in earnings of Woodbridge (in thousands):

<b>(Dollars in thousands)</b>	<b>Unaudited</b>			<b>Unaudited</b>
	<b>For the Three Months Ended</b>			<b>For the Nine Months Ended</b>
	<b>September 30,</b>			<b>September 30,</b>
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Net income from Bluegreen	\$ 24,411	26,983	55,958	60,906
Net income attributable to Bluegreen non-controlling interest	(1,775)	(3,732)	(6,578)	(9,343)
Net income attributable to Bluegreen	\$ 22,636	23,251	49,380	51,563
Woodbridge parent only net loss	(229)	(847)	(1,335)	(38,649)
Net income attributable to Woodbridge	22,407	22,404	48,045	12,914
BBX Capital interest in Woodbridge	46.00%	46.00%	46.00%	46.00%
BBX Capital equity in earnings of Woodbridge	\$ 10,307	10,306	22,101	5,941

The following table presents Bluegreen's EBITDA, defined below, as well as a reconciliation of EBITDA to net income (in thousands):

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2016	2015	September 30, 2016	2015
Net Income from Bluegreen	\$ 24,411	26,983	55,958	60,906
Add/(Less):				
Interest income (other than interest earned on VOI notes receivable)	(2,051)	(2,004)	(6,106)	(3,641)
Interest expense	8,409	8,157	24,461	26,426
Interest expense on Receivable-Backed Debt	(4,463)	(4,847)	(14,211)	(15,481)
Provision for Income and Franchise Taxes	14,477	15,069	31,430	33,676
Depreciation and Amortization	2,407	2,289	7,132	6,781
EBITDA	\$ 43,190	45,647	98,664	108,667

EBITDA is defined as earnings, or net income, before taking into account interest income (excluding interest earned on VOI notes receivable), interest expense (excluding interest expense incurred on financings related to Bluegreen's receivable-backed notes payable), provision for income taxes and franchise taxes, depreciation and amortization. For purposes of the EBITDA calculation, no adjustments were made for interest income earned on Bluegreen's VOI notes receivable or the interest expense incurred on debt that is secured by such notes receivable because they are both considered to be part of the operations of Bluegreen's business.

The Company considers Bluegreen's EBITDA to be an indicator of Bluegreen's operating performance, and it is used to measure Bluegreen's ability to service debt, fund capital expenditures and expand its business. EBITDA is also used by companies, lenders, investors and others because it excludes certain items that can vary widely across different industries or among companies within the same industry. For example, interest expense can be dependent on a company's capital structure, debt levels and credit ratings. Accordingly, the impact of interest expense on earnings can vary significantly among companies. The tax positions of companies can also vary because of their differing abilities to take advantage of tax benefits and because of the tax policies of the jurisdictions in which they operate. As a result, effective tax rates and provision for income taxes can vary considerably among companies. EBITDA also excludes depreciation and amortization because companies utilize productive assets of different ages and use different methods of both acquiring and depreciating productive assets. These differences can result in considerable variability in the relative costs of productive assets and the depreciation and amortization expense among companies.