



colorful places
to live and play[®]





IN 2006, BLUEGREEN® UPDATED ITS VISION, MISSION AND VALUES
TO BETTER REFLECT THE DYNAMICS OF ITS CURRENT OPERATIONS.

our mission

Bluegreen's mission is to provide individuals and families with an opportunity to improve their lives with our superior leisure and lifestyle products and services. Our products and services are designed to create lasting memories and to win our customers' loyalty in perpetuity. Bluegreen is committed to building a valuable and growing company in which creativity and quality are the cornerstones of our success. We will nurture our growth through the performance of outstanding associates who uphold the company's commitment to service and customer satisfaction. We will build the company aggressively within the framework of fiscal conservatism and an ethical culture.

selected financial data

(dollars in thousands except per share data)	As of or for Nine Months Ended		As of or for the Years Ended		
	Dec 31,		Dec 31,		
	2002	2003	2004	2005	2006
Income Statement Data					
Sales of real estate	\$230,299	\$359,344	\$502,408	\$550,335	\$563,146
Total revenues	306,880	445,093	630,728	684,156	673,373
Income before income taxes, minority interest and cumulative effect of change in accounting principle (1)(4)	39,037	35,585	73,266	80,532	62,491
Income before cumulative effect of change in accounting principle (1)(4)	24,783	19,837	42,559	46,551	34,311
Net income	\$ 19,204	\$ 19,837	\$ 42,559	\$ 46,551	\$ 29,817
Diluted earnings per share before cumulative effect of change in accounting principle (1)(4)	0.91	0.74	1.43	1.49	1.10
Diluted earnings per common share	0.72	0.74	1.43	1.49	0.96
Balance Sheet Data					
Total assets	\$460,177	\$646,484	\$658,411	\$694,243	\$854,212
Shareholders' equity	154,369	174,125	261,066	313,666	353,023
Book value per common share	6.28	6.98	8.63	10.31	11.44
Selected Operating Data					
Bluegreen Resorts statistics:					
"VOI" (Vacation Ownership Interest) sales	\$151,670	\$254,971	\$310,608	\$358,240	\$399,105
Gross margin on VOI sales	74%	80%	76%	78%	78%
Selling, general and administrative expenses as a percentage of VOI sales	61%	59%	58%	61%	67%
Field operating profit (2)	\$ 21,939	\$ 50,359	\$ 50,876	\$ 59,578	\$ 53,937
Number of owned resorts at period end	13	17	18	21	21
Number of VOI sale transactions (3)	16,347	26,839	31,574	37,605	41,097
Bluegreen Communities statistics:					
Homesite sales	\$ 78,629	\$104,373	\$191,800	\$192,095	\$164,041
Gross margin on homesite sales	46%	45%	45%	48%	45%
Selling, general and administrative expenses as a percentage of homesite sales	28%	32%	25%	24%	23%
Field operating profit (2)	\$ 13,570	\$ 12,580	\$ 37,722	\$ 47,227	\$ 35,824
Number of homesites sold (3)	1,242	1,962	2,765	2,287	1,750

(1) Effective April 1, 2002, we elected to change our accounting policy to expense previously deferred costs of generating VOI tours through telemarketing programs. See "Management's Discussion and Analysis of Financial Condition and Results of Operations," in our 2005 Annual Report on Form 10-K for further information.

(2) Field operating profit is operating profit prior to the allocation of corporate overhead, interest income, interest expense, other income, income taxes, minority interest, cumulative effect of change in accounting principles and (in 2002 through 2005) gain on sale of receivables and provision for loan losses. See Note 18 of the Notes to Consolidated Financial Statements in our 2006 Annual Report on Form 10-K for further information.

(3) "Number of VOI sales transactions" and "Number of homesites sold" include those sales made during the applicable period where recognition of revenue is deferred under Statement of Financial Accounting Standards ("SFAS") No. 66, as amended and SFAS No. 152, as applicable. See "Revenue Recognition" and "Contracts Receivable" under Note 1 of the Notes to Consolidated Financial Statements in our 2006 Annual Report on Form 10-K.

(4) Effective January 1, 2006, we adopted the provisions of SFAS No. 152, resulting in a charge of approximately \$4.5 million. See "Management's Discussion and Analysis of Financial Condition and Results of Operations," in our 2006 Annual Report on Form 10-K for further information.

Dear Fellow Shareholder:

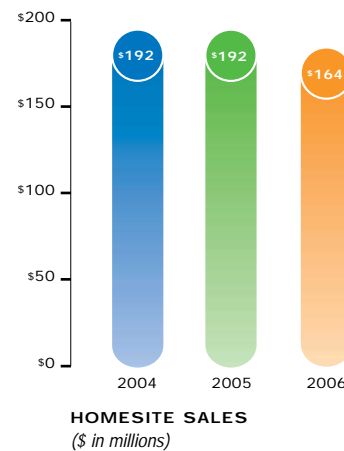
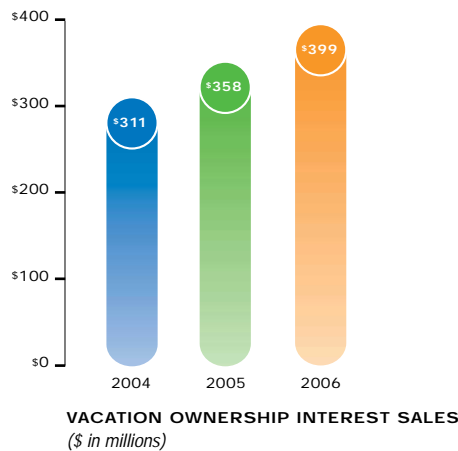
I welcome the opportunity to address you as Bluegreen's President and Chief Executive Officer. I am honored to assume my new role and look forward to leading Bluegreen's talented and committed associates as we move forward.

I believe that Bluegreen's strength is derived from our associates who, working together, deliver vacation and residential lifestyle choices that we consider to be among the best in our industry. Through their efforts, Bluegreen ended 2006 as one of the largest publicly traded vacation ownership companies, with 43 in-network resorts, four additional resorts under development for future inclusion in the Bluegreen Vacation Club® and approximately 170,000 owners, an increase of 11% from 2005.

Bluegreen Communities®, despite a challenging year, remains a leader in direct-to-consumer sales of residential land, having sold over 55,000 planned residential and golf community homesites in 32 states since 1985.

We are fortunate to operate in industries that are enjoying strong growth trends. The American Resort Development Association (ARDA) International Foundation 2006 State of the Industry study indicates that U.S. timeshare sales rose by 9% to \$8.6 billion in 2005 (the most current available data). Migration trends to the southeastern and southwestern United States also remain strong, creating a significant market for Bluegreen Communities. Our target demographic for both of our business segments of 40-59 year olds is the fastest growing segment of the population, with the 45-54 age group expected to increase by 18% from 2000-2010.

The sum of these factors provides us with opportunities as we move forward. Our goal is to offer sought-after vacation destinations and high-quality residential communities, enhanced by relationships and technologies that facilitate delivery and elevate customer service. We are actively working to make our goals a reality and are optimistic about our prospects and their impact on our future growth.



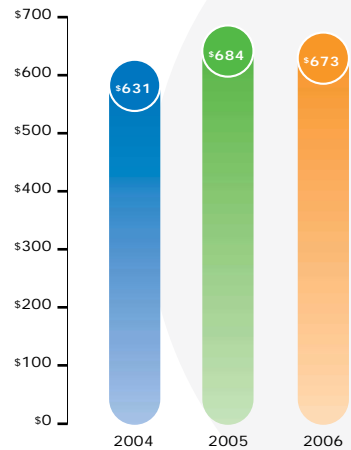




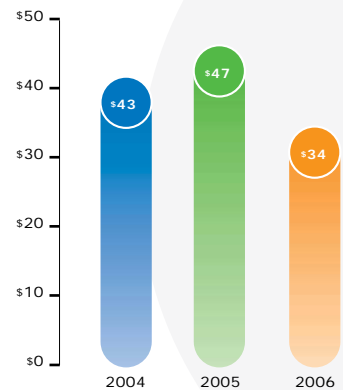
ANNUAL OVERVIEW

The year ended December 31, 2006 reflects the continued growth of Bluegreen Resorts, which achieved record sales and a sixth consecutive year of double-digit sales increases. While extremely pleased with growth at Bluegreen Resorts, we were disappointed in the performance of Bluegreen Communities, which was the result of several of our newer properties commencing sales late in 2006 at the same time that many of our more mature developments approached sell out. As you will read later, we have been actively and prudently addressing our inventory needs at Bluegreen Communities. Results were also impacted by revenue recognition accounting policies.

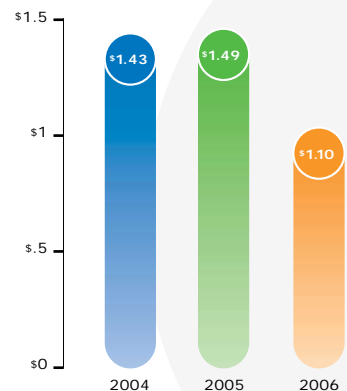
Lower Bluegreen Communities sales, combined with approximately \$10.0 million of noteworthy pre-tax charges and expenses incurred during the latter half of 2006, including the costs of the adoption of a shareholder rights plan and related litigation, payments due to our former CEO and an accrual provided to cover repairs at a previously sold-out community, contributed to lower total operating revenues and net income for 2006. Total operating revenues were \$673.4 million as compared to \$684.2 million in 2005, while net income declined to \$29.8 million, or \$0.96 per diluted share, from \$46.6 million, or \$1.49 per diluted share, last year. Bluegreen ended the year with a balance sheet that was among the strongest in our history. At December 31, 2006, our financial position included unrestricted cash of \$49.7 million, a book value of \$11.44 per share, and a near record low debt-to-equity ratio of 0:82:1.



TOTAL REVENUE GROWTH
(\$ in millions. Includes revenues from all sources)



INCOME BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE
(\$ in millions)



INCOME BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE PER DILUTED SHARE



bluegreen®

Getaway

STATION

Bluegreen Resorts sales increased 11.4% to a record \$399.1 million from \$358.2 million in 2005. We recorded same-resort sales increases at many of our sales offices, most notably at The Fountains resort (Orlando, FL); the Bluegreen Wilderness Club™ at Big Cedar® (Ridgedale, MO); The Falls Village™ (Branson, MO); MountainLoft™ (Gatlinburg, TN) and Grande Villas at World Golf Village® (St. Augustine, FL). In addition, a new sales office at Carolina Grande™ (Myrtle Beach, SC), new sales offices near our resorts under development in Las Vegas, NV, Williamsburg, VA, and Wisconsin Dells, WI, and our new off-site sales offices in Chicago, IL and Atlanta, GA also contributed to higher sales.

Cost of Resorts sales increased to 22.1% from 21.6% last year, due to the mix of specific vacation ownership interests sold during the periods.

Upgrade sales to our existing owner base rose for the fifth consecutive year, comprising 34.4% of Resorts sales from 27.7% in 2005. The higher margin sales are the result of our expanding efforts to engage owners and encourage them to experience Bluegreen's products and services. By providing wonderful vacation experiences for our owners, we are hopeful they will increase their vacation ownership stake through the purchase of additional real estate-based vacation points. Reflecting our success in this endeavor, in 2004 just 64% of Bluegreen's owners booked a stay at one of our properties; in 2006, that number rose to 82%. We believe that this increase in stays catalyzed upgrade sales to existing owners during the same period.

marketing is one of the driving forces of our business and industry.

Marketing Alliances

Marketing is one of the driving forces of our business and industry. We continued to benefit in 2006 from our exclusive co-branding agreement with Bass Pro® Shops, which includes exposure at 37 of its retail locations, its catalog, and web site. With a focus on the family, Bluegreen entered into separate alliances with Six Flags® Inc., the world's largest regional theme park company, and Paramount Parks, a leading developer and operator of world-class theme parks. These relationships provide Bluegreen with kiosk space to market mini-vacations on-site through our Bluegreen Getaway Station™ kiosks. We believe that our presence in these theme parks will provide unique engagement with our target customer and that these venues, which are close to our Bluegreen Preview Centers and resorts locations, are a natural fit for our marketing efforts.

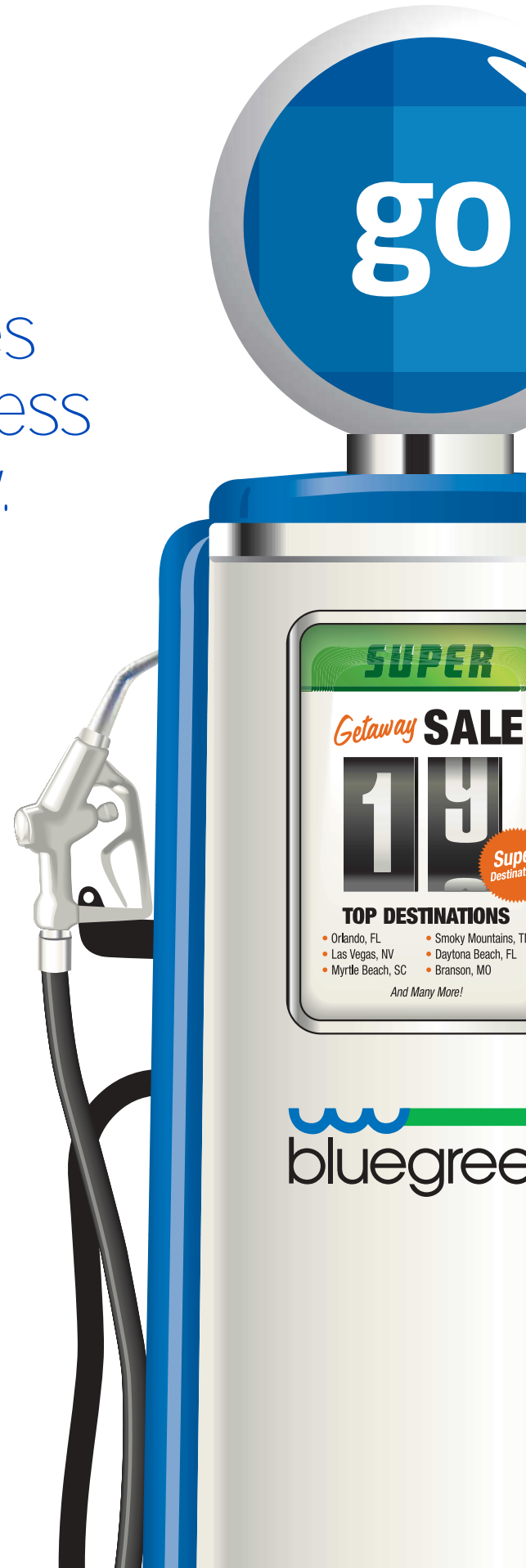




Photo of Bluegreen's project under construction in Las Vegas looking west



expanding our presence

New Resorts

We embarked on three new resort projects that we expect to generate significant interest among our existing owners and potential new customers. Following our entrance into the Orlando mega-market several years ago, Bluegreen entered a second mega-market, Las Vegas. We commenced construction of a seven-story, 240-unit resort property in Las Vegas, which we expect to be ready for occupancy in the second quarter of 2008. Our new resort will be located on approximately 10 acres of land near the intersection of Tropicana Avenue and Paradise Road, just east of the famous Las Vegas strip.

We also broke ground on a new resort property located in Williamsburg, VA, less than one block from the historic district of Colonial Williamsburg. Occupancy of this new resort is expected in early 2008. We also acquired a seven-acre parcel of land adjacent to the Treasure Island Water and Theme Park Resort in Wisconsin Dells, WI and purchased 24 unsold existing vacation ownership units. We plan to develop two- and three-bedroom vacation ownership units on the acquired seven acres, which are estimated for final delivery in 2009, while occupancy of the 24 acquired units is estimated for the end of 2007.

We also completed several projects begun in 2005, including: renovation of a new preview center in the Great Smoky Mountains, the site of our first vacation ownership resort in 1994; the conversion of SeaGlass Tower™ and the opening of a newly completed sales office at Carolina Grande.

B L U E G R E E N
C O M M U N I T I E S

Sales at Bluegreen Communities decreased to \$164.0 million in 2006 from \$192.1 million last year. In addition to the reasons described above, certain revenue recognition policies also impacted results during 2006. Because of high demand we commenced sales at several properties prior to finalizing the platting (subdivision) of land. Because the platting process for these properties was not finalized before the end of 2006, Bluegreen was unable to recognize approximately \$8.4 million and \$3.2 million in Communities sales and profits, respectively, for accounting purposes during the 2006 period. It is expected that the platting process for the related homesites will be completed in the first quarter of 2007, at which time we can recognize these sales, subject to the impact of percentage-of-completion accounting. In addition, as of December 31, 2006, approximately \$18.6 million and \$7.7 million of Bluegreen Communities sales and profits, respectively, were deferred under the percentage-of-completion method of accounting. It is expected that these amounts will be recognized in future periods ratably with the development of the communities.

Despite lower total sales, several Bluegreen Communities, opened for more than one year, generated higher sales during 2006 before the impact of revenue recognition policies including: Mystic Shores™ (Canyon Lake, TX), the Settlement at Patriot Ranch™ (near San Antonio, TX); Mountain Springs Ranch™ (Smithson Valley, TX), Catawba Falls Preserve™ (near Asheville, NC); Fairway Crossings™ (near Houston, TX) and Lake Ridge at Joe Pool Lake™ (near Dallas, TX). Havenwood at Hunter's Crossing™, which commenced sales in January 2006, produced strong sales during its initial year of operations. Since September 2006, we commenced sales at the following new Texas properties: Vintage Oaks at the Vineyards™ a 3,300-acre community located outside of San Antonio; Bridges at Preston Crossings™ a 1,579 acre Bluegreen Golf Community located outside of Dallas; King Oaks™ a 953-acre community in Grimes County, near College Station; and Legacy Oaks™ a 130-acre community located in Magnolia. While early, sales results from these newest properties are encouraging. We also have high expectations for our newest project, Sanctuary River Club at St. Andrews Sound™, which is an addition to Sanctuary Cove at St. Andrews Sound™, one of our most successful communities. Sales at Sanctuary River Club are expected to commence in the second quarter of 2007.



during
the latter
part of
2006, we
commenced
sales at
four new
Texas
properties.





TECHNOLOGY AND
CUSTOMER SERVICE
ADVANCEMENT

Technology innovations have fundamentally changed the way Bluegreen does business and we believe that our investments in technology give us a significant competitive advantage. We view all of these advances as a way to more fully engage our owners and guests, increase resort usage and upgrade sales, and build our brand. Consumers have come to expect that their travel and service needs can be addressed with the click of a mouse. By addressing this "need for speed," we can meet their expectations and at the same time produce tangible business benefits.

Bluegreenonline.com has become a powerful relationship tool, allowing our owners to access timely information about their accounts.

Since its redesign and relaunch in May 2005, approximately 103,000 owners, or 61% of our owner base, have signed in to the site more than 1 million times. In addition to convenience, the site acts as an education tool, which leads to a better experience in booking a vacation. Our owners are also using the site to market Bluegreen to their friends and family, a welcome, but unintended, consequence of our IT investment.

We are using technology to simplify our lead generation activities by utilizing hand-held, wireless sales systems at many of our new off-site amusement park kiosks. These new systems provide customers with an interactive experience that has revolutionized face-to-face

package sales for Bluegreen. Rather than run the risk of intruding on a family's day of fun, this technology quickly and efficiently allows guests to purchase a mini-vacation package without the need to fill out forms. The pass code these potential owners receive introduces guests to Bluegreen's portfolio of resorts by granting them access to a dedicated web site that contains photos, floor plans, and virtual tours.

These new award-winning kiosks are integrated with Bluegreenonline.com, ensuring that any changes made to the web site are instantly updated to the kiosk. Because these updates are done in tandem, we have eliminated the cost of software programming upgrade expenses.





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Giving Back

Supporting non-profit organizations and charitable efforts has always been an important part of Bluegreen's culture. We make it a priority to give back to the communities in which we operate and to the people that patronize our businesses. This sense of giving exists throughout our organization and is seen in the charitable efforts of Bluegreen executives, management and associates alike. We support organizations like the Juvenile Diabetes Research Foundation, Christel House®, the American Red Cross, the Cystic Fibrosis Foundation and many others. William Clay Ford Jr., former chairman of Ford Motor Company once said, "A good company delivers excellent products and services. A great company does all that and strives to make the world a better place." At Bluegreen, our passion for improving peoples' lives goes far beyond the products and services we provide.

THE FUTURE

We view 2007 as a time of tremendous opportunity to build our inventory, establish new relationships, and enhance our industry presence. At Bluegreen Resorts, we are focused on expanding our sales and distribution infrastructure. We plan to broaden our portfolio of properties to include new family and destination-area resorts, including additional mega-markets, and increase our investments in existing properties in order to increase capacity. We also plan to pursue strategic marketing partnerships, and increase the benefits of Bluegreen ownership by introducing access to other leisure experiences. We intend to continue to reinvest Bluegreen Communities' cash flow into our acquisition pipeline, and explore potential new markets. Importantly, working together with our 5,500 associates, I am confident that we can continue to deliver memorable, life-long vacation and residential choices for our owners, and enhance the value of Bluegreen for our shareholders.



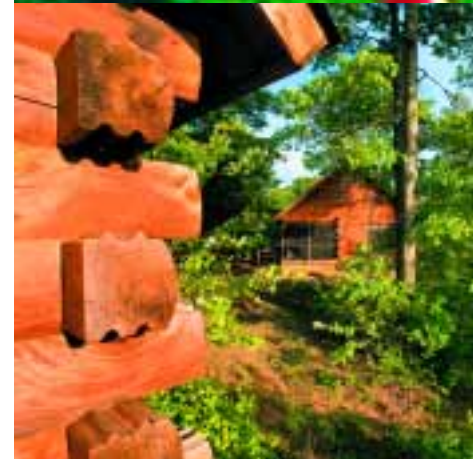
Opportunities often times coexist with challenges, and Bluegreen is no different in this regard. In order to achieve our long-term growth objectives, we must continue to consummate additional acquisitions in both our Resorts and Communities business segments, with an understanding that Communities acquisitions are absorbed at varying rates over periods that can last as long as eight years, and new Resort properties require significant lead times to have a meaningful impact on earnings. We must also continue to prudently increase leverage on our balance sheet to pursue our goals. We are fortunate to have maintained an established network of relationships with some of the most well-respected lenders and financial institutions in our industry.

On behalf of Bluegreen's senior management team, our Board of Directors and associates, I thank you for your continued support.

Sincerely,

A handwritten signature in black ink that reads "John Maloney Jr." in a cursive style.

John M. Maloney, Jr.
President & Chief Executive Officer





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see

C O R P O R A T E
D I R E C T O R Y

BOARD OF DIRECTORS

Alan B. Levan, Chairman

Chairman and Chief Executive Officer,
Levitt Corporation

Chairman and Chief Executive Officer,
BankAtlantic Bancorp

Chairman and Chief Executive Officer,
BFC Financial Corporation

John E. Abdo, Vice Chairman

Vice Chairman, Levitt Corporation

Vice Chairman, BankAtlantic Bancorp

Vice Chairman, BFC Financial Corporation

Norman H. Becker

Certified Public Accountant

Lawrence A. Cirillo

Southport Maritime, Inc.

Robert F. Dwors

Managing Partner

Cypress Equities

Scott W. Holloway

President,

Hampton Financial Group, Inc.

John Laguardia

Senior Vice President,

Levitt Corporation

Mark A. Nerenhausen

President and Chief Executive Officer,

Performing Arts Center Authority

J. Larry Rutherford

President and Chief Executive Officer,

SouthStar Development Partners, Inc.

Arnold Sevell

President,

Sevell Realty Partners, Inc.

DIRECTOR EMERITUS

Joseph C. Abeles

Private Investor

CORPORATE OFFICERS

John M. Maloney, Jr.

President and Chief Executive Officer (1)

Daniel C. Koscher

Senior Vice President,

President and Chief Executive Officer,

Bluegreen Communities

Anthony M. Puleo

Senior Vice President,

Chief Financial Officer and Treasurer

Sheila B. Donahoe

Senior Vice President,

Chief Information Officer

Allan J. Herz

Senior Vice President,

Mortgage Operations

Douglas O. Kinsey

Senior Vice President,

Acquisitions and Development

Laurel M. Liber

Senior Vice President,

Owner Relations

Raymond S. Lopez

Vice President,

Chief Accounting Officer

James R. Martin

Senior Vice President,

General Counsel and Clerk

Susan J. Saturday

Senior Vice President,

Chief Human Resources Officer

CORPORATE DATA

Corporate Headquarters

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Boca Raton, FL 33431

Telephone: 561.912.8000

Fax: 561.912.8100

www.bluegreencorp.com

Annual Meeting

The Annual Meeting of Shareholders

will begin at 11:30 a.m. EST, May 15, 2007

The Westin Fort Lauderdale,

400 Corporate Drive,

Fort Lauderdale, FL 33334.

Legal Counsel

Stearns, Weaver, Miller, Weissler,

Alhadeff & Sitterson, PA.

Miami, Florida

**Independent Registered Public
Accounting Firm**

Ernst & Young LLP

Miami, Florida

Request for Corporate Information

The Company's annual and quarterly

reports filed with the Securities and

Exchange Commission along with other

corporate information are available on

www.bluegreencorp.com under "Investors"

and will also be furnished upon written

request to Investor Relations at the

Corporate Headquarters.

Registrar and Transfer Agent

Mellon Investor Services

P.O. Box 3316

So. Hackensack, New Jersey 07606

Telephone: 800.522.6645

www.melloninvestor.com

Investor Relations

The Equity Group Inc.

New York, New York

212.371.8660

www.theequitygroup.com

(1) Effective January 1, 2007

This Report contains forward-looking statements, including expectations, anticipated events, projections and business plans. Actual results could differ materially from those contemplated by such forward-looking statements due to risks and uncertainties that include, among others, the impact of economic and competitive factors affecting the Company and the risks and factors detailed in reports filed by the Company with the Securities and Exchange Commission, including the Company's 2006 Annual Report on Form 10-K. In addition, past performance is not necessarily an indication of actual or expected future results.

Bluegreen Corporation has filed a certification which certified to the New York Stock Exchange (NYSE) that as of the date of the certification our Chief Executive Officer was not aware of any violation by us of the Corporate Listing Standards of the NYSE. Included as exhibits to our 2006 Annual Report on Form 10-K are the certifications of our Chief Executive Officer and Chief Financial Officer certifying the quality of our public disclosure.

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corporate profile

Bluegreen Corporation (NYSE:BXG) is a leading provider of Colorful Places to Live and Play through two principal operating divisions. With over 170,000 owners, Bluegreen Resorts markets a flexible, real estate-based vacation ownership plan that provides access to over 40 resorts and an exchange network of over 3,700 resorts and other vacation experiences such as cruises and hotel stays. Bluegreen Communities has sold over 55,000 planned residential and golf community home sites in 32 states since 1985. Founded in 1966, Bluegreen is headquartered in Boca Raton, FL, and employs over 5,400 associates. More information about Bluegreen is available at www.bluegreencorp.com.

