



7 November 2007.

Ms Marta Kielich
Australian Stock Exchange Limited
PO Box H224
AUSTRALIA SQUARE NSW 1215.

Dear Marta,

QUARTERLY REPORT

Thank you for your correspondence dated 2 November 2007 seeking clarification relating to our quarterly Appendix 4C. In response to the questions raised we can advise as follows;

1. The conclusion you are suggesting in your question is not correct as the circumstances that prevailed in the quarter to which the report relates are not expected to apply in the current quarter. Payments made to suppliers were significantly higher than the amount collected during the quarter and the amount owing to us by our customers increased. The amount owing to us in respect of commissions from real estate transactions awaiting settlement is still in excess of \$1.0 million which due to delays experienced in the settlement process is expected to be received over the course of the next three months.
2. No
3. The revenues and expenses during the quarter measured on an accruals basis were broadly in line with our expectations. Expenses associated with franchising and our licensee program were also greater as we continue to develop new areas of our business and pursue new franchise territories overseas. The increase in amounts owing to us by our customers was expected to rectify itself by 30 September 2007 as property settlements took place, however a number of these were delayed for reasons outside of our control.
4. Not Applicable
5. The company's business objectives have not changed materially from those set out in the prospectus save and except there is now a greater emphasis on international expansion. There are a number of ongoing matters the progress of which will positively impact the company's results in this financial year. They include the further franchise opportunities around the world as negotiations are concluded.



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BBX HOLDINGS LIMITED ACN 089 221 634

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6. Yes, it is considered that the company is in compliance with listing rule 3.1.
7. The financial condition of the entity is not considered to have deteriorated in any way that is materially inconsistent with our business plan. The composition of the balance sheet, relative size of liabilities to assets and access to funds is broadly in line with what had been expected at this stage of the company's growth plan. Any change in financial condition is kept under constant review and would be reported to the market immediately if it were expected to have a material effect on the price or value of the entities securities.

Please be in touch if we can provide anything further.

Yours faithfully,
BBX HOLDINGS LIMITED

A handwritten signature in black ink, appearing to read 'TIM CREASY', with a long horizontal stroke extending to the right.

TIM CREASY CA CPA
Chief Financial Officer



2 November 2007

Mr Donald Fearon
Company Secretary
BBX Holdings Limited
Level 5
20 George Street
Sydney NSW 2000

By email

Dear Donald

BBX Holdings Limited (the "Company")

I refer to the Company's Quarterly Report in the form of Appendix 4C for the period ended 30 September 2007, released to ASX Limited ("ASX") via a Company Announcement on 31 October 2007 (the "Appendix 4C"). ASX notes that the Company has reported the following.

1. Receipts from customers of \$2,245,000.
2. Negative net operating cash flows for the quarter of \$257,000.
3. Negative cash at end of quarter of \$127,000.

In light of the information contained in the Appendix 4C, please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 4C, the Company may only have sufficient cash to fund its activities for less than 2 quarters. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 4C for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. To what extent have the Company's actual revenues and expenses in the quarter, as reported in the Appendix 4C, matched the Company's anticipated revenues and expenses for that reporting period?
4. If the Company's actual revenues and expenses are not substantially in accordance with the Company's anticipated revenues and expenses, when did the Company become aware that its revenues and expenses would not substantially match the anticipated revenues and expenses? You may wish to outline any circumstances that may have had an effect on the Company's revenues and expenses.

5. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
6. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response will be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me on facsimile number (02) 9241 7620 or by email at marta.kielich@asx.com.au. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 9.30 a.m. E.S.T.) on Wednesday, 7 November 2007.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

(sent electronically without signature)

Marta Kielich
Adviser, Issuers (Sydney)