



BBX Holdings Limited
ACN 089 221 634
(ASX:BBX)

**QUARTERLY BUSINESS UPDATE -
31 DECEMBER 2007**

BBX is pleased to release results for the second quarter (and half year) ending 31 December 2007.

GROSS REVENUE

Gross Revenue for the quarter was \$3.390 million, up 2.8% or \$94,000 on the corresponding period in the previous financial year and an increase of \$1.001 million (43.7%) on the first quarter in the current financial year.

For the half year ending 31 December 2007, gross revenue was \$5.445 million, an increase of \$638,000 (13.2%) on the corresponding period in financial year 2006/07.

In the company's Australian operation, gross revenue for the half year increased \$266,000 (6.9%) on the corresponding period in the previous financial year, and by \$40,000 (1.6%) on gross revenue in the first quarter of the current financial year.

CORE BUSINESS ACTIVITIES

Membership:

Australian & New Zealand

Active membership numbers were 4,996 at the end of the period, an increase of 471 (10.4%) over the half year.

Other International Operations

Master franchise operations in China, India and Costa Rica are expected to start contributing to membership numbers and trading results in Q1 of calendar 2008, which should see further acceleration in trading activity in Q2 of calendar 2008.

Trading Volumes (TV):

Australia & New Zealand

Trading volume represents the combined value of sales and purchases undertaken by members of the exchange. In the half year, trading attributed to members was \$63.656 million, a slight decrease from \$65.775 million in the corresponding half year period of 2006.

Real Estate Volumes:

Listings

Properties with a market value of \$33.8 million were listed for sale through the BBX trading system in the quarter.

Combined retail value of properties under offer at quarter's end exceeded \$38 million.

Sold or Exchanged

Properties worth in excess of \$11 million were either sold or exchanged on members' behalf during the quarter.

REPRESENTATION

The BBX master franchise operations in both China and India provides opportunities for manufacturers and other business owners in these countries to expand their business and exporting capabilities, by helping find and develop new markets for distribution of excess inventories or spare capacity that exists.

BBX China is continuing to process membership applications from their existing affiliate membership of 300,000 businesses and expects to have many of these operational by the end of the financial year.

BBX India will operate from premises in Mumbai and Delhi, the commercial and government capitals of India respectively. Operational requirements preliminary to opening for business are being completed and it is expected the master franchise business will commence operations in the last quarter of the current financial year. Initial training has been conducted with franchise principals and key staff.

BBX Costa Rica is currently awaiting formal sign off by the authorities in respect to tax and associated matters and is expected to commence operating in April 2008.

The company has assumed management control of the **BBX New Zealand** following termination of the master franchisee and it is business as usual until such time as a new franchise partner is found.

A number of additional country master franchises are under discussion at the present time and announcements in respect to each of these will be made once formalities are complete.

BBX International Limited (HK) holds 20% equity interest in each of these franchises and will derive royalties from their revenue and trading activity once operational and income producing. A similar equity stake will be held in all International franchises.

In Australia, the company's Adelaide business was franchised with the new franchise (BBX Adelaide Central) commencing operations in October.

OTHER BUSINESS ACTIVITIES

BBX Money (www.bbxmoney.com)

BBX Money is a joint venture finance brokerage providing residential & business loans and other lending products to BBX members and the general public, and commenced operating mid 2007. With its large business base, plus a growing involvement in real estate investment property transactions, the company is well placed to identify future new lending opportunities for BBX Money, from which it receives commission trails.

During the quarter BBX Money wrote the following loan business:

- Total number of applications approved during the quarter 8
- Total value of these loan approvals \$3.2 million

Priced2Clear (www.priced2clear.com)

The company's Internet-based online clearance warehouse is now fully operational and generated in excess of \$168,000 in sales during the quarter, and more than \$352,000 for the half year. Sales are expected to increase as the facility becomes better known. New stock is regularly sourced and listed for sale and buyers are both BBX members and the general public.

System Enhancements

The company's website and proprietary Customer Management System (CMS) software referred to as 'Web Barter IT' is undergoing changes to convert to multi lingual. This is a crucial step in the establishment and development of an International trading group. It is in the final stages of development and should be launched by March 2008.

Work continues on programming and front end integration in this regard although the system changes are such that CMS can now be viewed in Chinese and Spanish language as well as English. Ultimately, access to BBX online and automated member services will, where necessary, be dual language (English and the local language of the country) regardless of location in the world.

Transactions crossing country borders will be aided by an in-built currency exchange facility, enabling members to access (purchase) using their BBX account and member identification in any country where BBX is represented, without the need for any special or temporary arrangements to be put in place.

Web Barter IT is regularly being enhanced to provide delivery improvements or to add additional features for members. Enhancements currently under development include electronic faxing, upgrade of Automatic Broker facility, relocation of New Zealand data centre to Australia and disaster recovery for regional/franchise offices.

Relocation

Over the end of year period, the company's Sydney head office and service centre relocated to the suburb of Gordon.



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