

# BBX



**QUARTERLY BUSINESS UPDATE  
30 SEPTEMBER 2007  
BBX HOLDINGS LIMITED**



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

## **QUARTERLY BUSINESS UPDATE**

BBX is pleased to announce results for the first quarter ending 30 September 2007.

### **GROSS REVENUE**

Gross Revenue for the quarter was \$2.289 million, up 8.8% or \$185,000 on the corresponding period in the previous financial year.

In the company's Australian operation, gross revenue increased \$476,000 (34%) on the corresponding period, aided by sales of local franchises.

### **CORE BUSINESS ACTIVITIES**

#### **Membership:**

##### **Australian & New Zealand**

Active membership numbers increased 4.6% from 4,970 to 5,202 during the quarter.

##### **Other International Operations**

Master franchise operations in China and Costa Rica are expected to start contributing to membership numbers when they are fully operational in Q4 of calendar 2007, with BBX India due to open in Q1 of calendar 2008, further accelerating membership growth.

#### **Trading Volumes (TV):**

##### **Australia & New Zealand**

Trading volume represents the combined value of sales and purchases undertaken by members of the exchange. In the quarter under review, trading attributed to members was \$39.073 million, an increase of \$3.815 million (10.8%) over the corresponding period in 2006.

#### **Real Estate Volumes:**

##### **Listings**

Properties with a market value of over \$21 million were listed for sale through the BBX trading system in the quarter.

Combined retail value of properties currently under offer exceeds \$31 million.

##### **Sold or Exchanged**

Properties worth in excess of \$13 million were either sold or exchanged on members' behalf during the quarter.

BBX China conducted its inaugural national conference in Chong Qing attended by over 60 delegates and representatives held over 3 days during September.

Attendees included Michael Touma (Managing Director), Carolin Macdonald (Chief Operating Officer) and Mireille Touma (Administration Director), representing BBX International Ltd. and the parent company BBX Holdings Ltd. Other BBX franchise representatives from New Zealand and India were also in attendance.

The conference and large media contingent was later addressed by Mr. Ding Junta, Executive Vice Chairman, China Federation of Logistics & Purchasing who gave BBX a ringing endorsement that was widely reported in the local media.

The BBX trade exchange facility in China provides scope for Chinese merchants and manufacturers to expand their business and exporting capabilities, by helping find and develop new markets for distribution of excess inventories that exist.

BBX China is currently processing membership applications from over 20,000 businesses and expects to have 300,000 members from its affiliate group changing over to BBX prior to their next annual conference.

BBX India franchise licence has been re-issued and a new office will be established in Mumbai to run the BBX master franchise in this important and emerging market. One of the franchise principals, Sunny Gogia, has significant experience in Australia/India trade and has first hand knowledge of the BBX operation through his membership of BBX in Australia.

He is joined in ownership of the franchise business by two other local business partners.

BBX Costa Rica franchise owners visited Australia during July and warmly received company representatives for training in their own country during September.

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.

Locally, BBX Perth (two franchises) and BBX Adelaide Central have been sold as franchises during the quarter. Both areas previously operated as company offices.

## **OTHER BUSINESS ACTIVITIES**

### **BBX Money (www.bbxmoney.com)**

BBX Money, a joint venture finance brokerage providing residential & business loans and other lending products to BBX members and the general public, 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 new lending opportunities for BBX Money, from which it receives commission trails.

Whilst still in its infancy, 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 \$2.5 million

### **Priced2Clear (www.priced2clear.com)**

The company's Internet-based online clearance warehouse is now fully operational and generated in excess of \$160,000 in sales during the quarter. Sales are expected to grow, as the facility becomes more widely known. New stock is regularly sourced and listed for sale and buyers are both BBX members and the general public.

**IRTA Conference**

The International Reciprocal Trade Association (IRTA) annual convention was held in Savanna, Georgia (USA) in September and attended by Michael Touma (Managing Director) and Mireille Touma (Administration Director). Managing Director Michael Touma was presented with the Associations highest honour, the Lifetime Achievement Award.

During the convention approaches were received from a number of countries to explore partnership opportunities with BBX as part of its Global Barter Alliance strategy that currently consists of Australia, New Zealand, China, India & Costa Rica.

These approaches are being followed up and are expected to add to BBX' international representation in the coming year.

**BBX Property Investment Fund** (www.bbxpropertyfund.com)

During the quarter the BBX Property Fund successfully concluded it's second fundraising receiving applications for over \$8 million in share capital.

This has given the company in excess of \$15 million of shareholder funds with which to purchase suitable properties in what still appears to be a good buying market.

Approximately \$5 million in properties have already been purchased and details of these properties can be seen on the Property Fund's website.

**NEW INITIATIVES****Insurance**

The company is negotiating with a major provider of life and general insurance products with the view to developing a suitable insurance package that can be offered to BBX members.

**System Enhancements**

Over the past year the company's website and customer management software have been undergoing changes to convert them to multi lingual. This is a crucial step in the establishment and development of an International trading group.

Customer management software can now be viewed in Chinese and Spanish language as well as English and similar changes will soon be made to the company's website. Ultimately, access to BBX online and automated member services will 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 in any country where BBX is represented without the need for any special or temporary arrangements to be put in place.



**Michael Touma**  
**Managing Director**

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