



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

**QUARTERLY BUSINESS UPDATE -
31 MARCH 2008**

BBX is pleased to release current financial year results for the third quarter ending 31 March 2008.

GROSS REVENUE

Gross Revenue for the quarter was \$1.649 million, down \$0.644 million (28%) on the corresponding period in the previous financial year principally due to the timing and settlement of real estate transactions. For the 9 months ending 31 March 2008, gross revenue was \$7.038 million, compared with \$7.718 million for the corresponding period in financial year 2006/07.

In large part, the decrease can be related to the general downturn in business activity and confidence over the past 12-18 months, with interest rates and inflationary pressures causing business owners to carefully examine discretionary expenditures.

CORE BUSINESS ACTIVITIES

Membership:

Australian & New Zealand

Active membership numbers were 5,101 at the end of the period, a net increase of 105 (2.1%) for the quarter.

Other International Operations

Master franchise in China commenced formal activities in April and their membership numbers will be incorporated in end of year Annual Report. Both India and Costa Rica are yet to formally commence operations but should contribute to membership numbers in the last quarter of this financial year or, more likely, from commencement of the next financial year.

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, trading attributed to members was \$39.011 million, an increase of \$3.655 million (10.3%) on the corresponding period in the previous financial year although overall activity for the 9 months was only marginal better at \$102.667 million against \$101.131 million, again a reflection of the tightening economic climate.

Real Estate Volumes:

Listings

Following recent review and cleansing of all listings, properties with a combined market value of \$20 million are currently listed for sale through the BBX trading system.

Sold or Exchanged

Properties worth in excess of \$7 million were either sold or exchanged on members' behalf during the quarter.

REPRESENTATION

The BBX master franchise operations in both China and India will provide 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 commenced active trading in April and has started the task of processing membership applications from their existing affiliate membership of 300,000 businesses. This is a significant task and will be an ongoing project over the next 12/24 months but the business in China has finally commenced and the Company looks forward to significant added value from the China operation as it develops.

BBX India will operate from premises in Delhi, the nation's capital. Operational requirements preliminary to opening for business are being completed and it is expected the master franchise business will formally commence operations in the last quarter of the current financial year. Initial training has been completed with franchise principals and key staff.

BBX Costa Rica is close to completing legal and corporate responsibilities and awaiting formal sign off by the local authorities in respect to tax and associated corporate matters. The franchise is expected to commence operating in the June quarter.

BBX New Zealand continues to consolidate its position and this is being aided by the engagement of suitable senior staff to re-establish the company's presence in the North Island and specifically the Auckland area.

Other International master franchises are under discussion and announcements will follow completion of necessary formalities at such time as these progress to Heads of Agreement.

BBX International Limited (HK), 100% owned by BBX Holdings Limited, 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 each new International franchise.

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. 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 | 5 |
| · Total value of these loan approvals | \$1.4 million |

Priced2Clear (www.priced2clear.com)

The company's Internet-based online clearance warehouse generated in excess of \$155,000 in sales during the quarter, bringing financial year to date sales to over \$530,000.

NEW INITIATIVES

Insurance

The company's new insurance product (BBX Insurance) was finalised during the quarter, prior to release in select-ed areas during the month of May to be followed by Australia-wide release towards the end of the financial year.

BBX Insurance was developed in conjunction with DMA Insurance Brokers and is underwritten by QBE Insurance and Hollards Insurance, both well known insurers and major players in the insurance industry.

Through the new facility, BBX is able to offer its members significant cash savings on their total insurance premi-ums, by enabling up to 30% of premiums to be paid through the BBX trading system. A range of packages covering both business and residential insurance needs has been developed.

Wide popularity and acceptance is anticipated, with consequent improvement in group trading activity, as insur-ance services are brought under the company's product range and trading umbrella for the first time in the history of the industry in Australia.

BBX Insurance products will also be offered to the general public and BBX have developed online facilities for handling applications and quotations, supported by dedicated insurance staff to follow up on any leads.

System Enhancements

The company's website and proprietary Customer Management System (CMS) software referred to as 'Web Bar-ter IT' has undergone significant upgrade to convert to multi lingual and much of this work is now complete. This is a crucial step in the establishment and development of an International trading group.

Work continues on programming and back end documentation although the system changes are such that the website 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.

Complementary to this is the establishment of an International Payment Platform, which will enable members to shop anywhere in the world where BBX is represented simply by using their 'home base' membership card without the need to make special purchasing arrangements for each country they are visiting. The BBX trading card will therefore have universal acceptance within the BBX network. This development should be completed before the end of the financial year.

Transactions traversing country borders will be aided by an in-built currency exchange facility.

Web Barter IT is constantly 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

Relocation of the company's head office and service centre operations to Gordon was completed in January. The move is expected to result in a substantial reduction in rental costs.



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