



8 September 2010

NOTICE GIVEN UNDER SECTION 708AA (2) (f) OF THE CORPORATIONS ACT

This notice is given by BBX Holdings Limited (ACN 089 221 634) ("**Company**") under section 708AA(2)(f) of the Corporations Act ("**Act**"), as notionally modified by Australian Securities and Investments Commission Class Order 08/35 ("**CO 08/35**").

On 8 September 2010, the Company announced a non-renounceable pro rata rights issue ("**Rights Issue**") of 2 fully paid ordinary shares ("**New Share**") for each 3 fully paid ordinary shares held at the record date to eligible shareholders.

Pursuant to the Rights Issue, the Company may issue approximately 44,917,089 New Shares at an issue price of \$0.01 each, to raise a maximum of approximately \$450,000 (before expenses of the issue).

The Company states that:

- (a) the Company will offer the New Shares for issue without disclosure to investors under Part 6D.2 of the Act, as notionally modified by CO 08/35;
- (b) the Company is providing this notice under section 708AA(2)(f) of the Act, as notionally modified by CO 08/35;
- (c) as at the date of this notice:
 - (i) the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company;
 - (ii) the Company has complied with section 674 of the Act; and
 - (iii) there is no "excluded information" within the meaning of sections 708AA(8) and 708AA(9) of the Act, as notionally modified by CO 08/35.

Set out below is information on the potential effect that the Rights Issue may have on the control of the Company, though the consequences of that effect will depend on a number of factors including investor demand:

- (a) if all eligible shareholders take up their entitlements in full under the Rights Issue, the Rights Issue will have no effect on the control of the Company;
- (b) the proportional interests in the Company of those eligible shareholders who do not take up their rights under the Rights Issue will be diluted;
- (c) the proportional interests in the Company of shareholders who are not eligible shareholders will be diluted because those shareholders are not entitled to participate in the Rights Issue;
- (d) the Rights Issue is fully underwritten by Arthur Phillip Pty Limited. Eagle Resources Pty Limited, a company controlled by Mr. Paul Page, a Director, holds 13,407,750 Shares, or 19.9% of the Company's issued share capital. Eagle Resources Pty Limited has agreed to subscribe for its full entitlement under the Rights Issue, and to sub-underwrite a further 5,978,589 New Shares, giving it approximately 25.22% of the Company's issued capital following the Rights Issue; and
- (e) Richard Poole and his associates, who together hold 37,705,596 shares or approximately 55.96% of the Company's issued share capital, have indicated that they will not be subscribing for any of its entitlement under the Rights Issue.

Yours faithfully

Sylvie Dimarco
Joint Company Secretary

BBX Holdings Limited