



MEDIA RELEASE

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BBX Property Fund raises \$4 million

The Property Investment Fund formed by barter exchange company BBX Holdings Ltd (BBX) closed last week (10 August) after raising approximately \$4 million, with an anticipated further \$30 million to be raised by developers selling stock into the Fund.

The Fund, which is expected to list on the Newcastle Stock Exchange on 18 August, 2006, will initially invest in apartments and units in the major cities on the east coast of Australia where prices have been falling and cash yields increasing in the last 12 months.

Investment transactions will be made by using a combination of 70 per cent cash and 30 per cent BBX trade dollars, after the completion of due diligence and independent valuations.

Tim Creasy, Chief Financial Officer of BBX, said that the Property Fund is a very powerful concept for developers and investors alike.

“Developers are looking to move excess stocks of finished apartments. They clear their debt position and go from having a highly leveraged and illiquid investment in one or two projects to an investment in a portfolio of quality properties that can be traded on the stock exchange”.

“The apartment market at the moment is suffering from an oversupply of apartments, but like all markets that cycle will change and as the properties we acquire rise in value, so will the underlying value of the shares.

“The Fund will invest in a diverse and fully managed portfolio of residential property and it can, if structured properly, be an investment for superannuation funds.

“BBX also provides interest-free overdrafts to qualifying members for working capital and for investment in property, which is a feature unique to the trade exchange,” he said.

The NSX listing of the Property Fund together with the ASX listing of BBX Holdings Ltd., in August 2005, means a total of over \$10million has been subscribed within 12 months by investors, many of whom are BBX trade exchange members.

As well as their operations in Australia and New Zealand where they have approximately 4,500 member businesses, BBX has expanded globally having signed a recent franchise agreement to establish the system in India opening with over 2500 corporate members and has had enquiries from potential franchisees in many countries around the world.

BBX members transacted \$146 million in trade for the 2006 financial year, facilitating the 'cashless' trading of goods and services between members.

A trade exchange uses trade dollars, which have par value with the local currency, to assign value to the transactions that take place between members. In essence, the exchange acts as the third party facilitator and record keeper, and issues members with monthly statements, showing the purchases and sales they have made during the month. They also use plastic charge cards similar to other credit/debit cards in order to conduct business.

BBX can be contacted on 02 9476 6655. The website is www.ebbx.com.

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