

BROAD INVESTMENTS LIMITED
ACN 087 813 090

To: Australian Stock Exchange

From: Broad Investments Limited (ASX:BRO)

Date: 2 June 2006

Subject: Acquisition of Ideal Internet

The Board of BRO is pleased to provide the following information about the recent acquisition of an Internet Service Provider ("ISP"), Ideal Internet.

BRO subsidiary Broad IP Pty Limited ("BroadIP"), has just completed an agreement for the acquisition of small NSW-based ISP, "Ideal Internet", that has a strong and growing presence in the outer western suburbs of Sydney and the Campbelltown areas.

The acquisition provides BroadIP with a mix of dial-up, DSL and hosting contracts and creates an opportunity for the company to up-sell its VOIP and broadband services as the infrastructure becomes available in those areas. This will add considerably to the profit margins already being achieved from these customers.

The acquisition includes the entire client database, several servers, billing system, CRM and associated software, but will not involve the transfer of any employees as the business will be integrated within BroadIP's own infrastructure, including the transfer of all hardware to BroadIP's secure operating centre, achieving further savings on co-location costs.

Based on the \$50,000 cash and six million shares in two tranches to be issued at 5.0 cents per share for the acquisition, the transaction has been completed at a very favourable multiple of two times current estimated earnings before interest and tax.

The Board of BRO wishes to advise that it is in discussions with other targeted acquisitions which, when completed, are expected to add even greater value to the company's earnings.

By Order of the Board

Broad Investments Limited

15 Whiting Street, Artarmon, NSW 2064
Postal: PO Box 162 Artarmon NSW 1570
Ph: 02 9425 0000 Fax: 02 9425 0099