

BROAD INVESTMENTS LIMITED
ACN 087 813 090

ASX ANNOUNCEMENT
3 May 2006

BroadIP to provide VoIP and network services to NTG customers

***Gains access to 16,000 Corporates & Potential contracts valued at
tens of millions of dollars in TCV***

The Board of Broad Investments Limited (ASX:BRO) is pleased to advise that in line with its newly released reseller strategy it has achieved a significant milestone by becoming the exclusive VoIP and networking services provider for one of the largest telephony resellers, National Telecoms Group (NTG) and its affiliated channel partners that collectively do in excess of \$130M in telephony business in the SME market. BroadIP will gain access to more than 16,000 existing small to medium enterprise (SME) customers of NTG and its affiliated channel partners and any new clients signed up by NTG. The move gives BroadIP the opportunity to secure network services contracts estimated at tens of millions of dollars in Total Contract Value (TCV).

Each of NTG and its channel partners operates a lead-generating call centre and together have a sales force of more than 200 in Sydney, Melbourne, Brisbane and Perth, who will provide customer leads and requests for network services to BroadIP which will design and quote on a total network solution combining voice and data. In addition to the hundreds of leads generated each week in the SME sector, NTG currently receives network services requests from in excess of 60 larger corporate customers per month that it is unable to service.

"The value of this opportunity should not be underestimated as it will establish BroadIP as a significant and serious VoIP provider, as well as a provider of network architecture for IP and IP-related activities," said Vaz Hovanessian, Chairman of BroadIP's parent company Broad Investments (ASX:BRO).

"This partnership creates the opportunity for BroadIP to increase its high margin SME & Corporate revenue significantly at the same time reducing its average bandwidth costs for data and phone, as volumes increase. Based on the estimated value of NTG's leads, we will now have the opportunity to quote on providing network services valued at tens of millions of dollars.

"The increased revenue we anticipate from this deal in the coming months is expected to underpin our business, cover our operating expenses and reduce the need for additional capital to fund our growth. We will be providing three to four full time skilled resources to work exclusively with NTG on the opportunities"

"What we have done here is not just sign up one but several large resellers who actually own and control their own client base and have almost a national presence. We could not afford to set up such a sales force and a ready source of leads and income without

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millions in additional investment. Our reseller strategy is now well ahead of target" Mr. Hovanesian said.

NTG Managing Director Tony Hakim said "NTG will use BroadIP's expertise to develop data strategies to move its existing voice only clients and new clients to a total IP-based voice and data network solution. BroadIP will become the exclusive VoIP and network provider of choice for NTG and assist in the convergence of our clients to its VoIP platform, providing a one-stop voice and data solution."

"We are a telephony sales and service organisation and until BroadIP pitched for our business, we had unsuccessfully been looking for a VoIP provider for several months that not only provided the best value, lowest cost solution for our clients but also the necessary quality of service and capabilities our customers want. We have been very impressed by BroadIPs technical resources and skills." Mr Hakim added.

"The partnership with BroadIP and our move to VoIP and data means we will be able to extend our business to include larger corporate clients that we could not previously service. This will further grow both the NTG and BroadIP businesses. It's a perfect match."

By Order of the Board

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