

BROAD INVESTMENTS LIMITED
ACN 087 813 090

To: Australian Stock Exchange

From: Broad Investments Limited (ASX:BRO)

Date: 31 May 2006

Subject: Expansion To Meet Demand

The demand for Voice Over Internet (VOIP) telephony services and BroadIP's exclusive arrangement with National Telecoms Group announced recently, has forced the company into a rapid expansionary phase. Starting with a small and dedicated team of 7, staff numbers have increased to more than 20 over the past few weeks and the Sydney office has expanded to deal with the increased level of business.

As part of this expansion and in order to focus its highly-skilled sales team on the more profitable SME and Corporate sales, BroadIP has activated operations in Melbourne (sales and tech support) in a strategic alliance with a specialist call-centre & help desk operation. This alliance will allow BroadIP to focus on its core business, the provision of high-end VOIP telephony, while still guaranteeing the after-sales service levels demanded by business clients.

BRO already has a Melbourne office where its Glovebox /MTX divisions operate and expects to increase the number of regional offices through its national Reseller Program over the next 12 months. The Melbourne premises are also being gradually equipped to assist with Victorian customer enquiries and provisioning, particularly residential, while the Sydney office will focus more on SME and Corporate.

The head of technology at BroadIP, Mr Michael Anderson, said "Our customers are telling us that our products offer better performance compared with our competitors, particularly in voice quality and reliability. While we're pleased with this feedback, we are continuing to improve our service levels and technical quality so that we can maintain our early-entry market position as well as deliver solid performance and customer satisfaction."

By Order Of the Board
Broad Investments Limited