

BroadIP to provide VoIP and network services to NTG customers

In line with its recently announced reseller strategy, national VoIP provider BroadIP has scored a significant milestone by becoming the exclusive VoIP and networking services provider for National Telecoms Group (NTG) and its affiliated channel partners that collectively do in excess of \$130 million in telephony business in the SME market. The move gives BroadIP the opportunity to secure network services contracts estimated at tens of millions of dollars in Total Contract Value.

Under the partnership, BroadIP will gain access to more than 16,000 existing small to medium enterprise (SME) customers of NTG and its affiliated channel partners as well as new clients signed up by NTG.

NTG and its channel affiliates - each of which operates a lead-generating call centre with a combined sales force of more than 200 people in Sydney, Melbourne, Brisbane and Perth - will provide customer leads and requests for network services to BroadIP, which will then 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 more than 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 revenue significantly. 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.

More importantly, the additional traffic will take us to the next level of our business, allowing us to further reduce our bandwidth costs for data and phone and continue our aggressive growth trajectory.

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

NTG Managing Director Tony Hakim said, NTG will use BroadIP's expertise to develop data strategies to move its existing voice clients and new clients to a total IP-based voice and data network solution.

BroadIP will become the exclusive VoIP and networking provider 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 BroadIP's 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.

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About Broad Investments Limited (ASX:BRO) (www.broadinvestments.com.au)

Broad Investments is a major services provider in the premium mobile content market. Originally established as a telephony products company, Broad Investments acquired premium distributor of mobile phone content, Glovebox Group of Companies, and mobile and Internet payment provider MTX Holdings in October 2005 as part of its strategy to establish a strong foothold in both the Australian and international mobile content markets. Through its acquisitions, Broad Investments gained access to leading major record labels in Australia for true tones, and ownership of the technology and the payment mechanism that delivers the product, including wireless payment methods that span WAP billing, prepaid engines and wireless top us services gateways. Broad Investments also exclusively launched UK-based integrated consumer interactivity solutions provider Amplefuture, and its highly successful mobile marketing application, Pocket Portal, in Australia. Broad Investments entered the broadband telephony market with the launch of wholly owned subsidiary BroadIP, a corporate and residential VoIP provider offering full national coverage.

About BroadIP (www.broadip.com.au)

BroadIP is a corporate and residential VoIP provider offering full national coverage. BroadIP, which launched in April 2006, plans to grow through direct customer acquisition and acquisition of other providers at the smaller end of the market, supported by an aggressive marketing strategy including online advertising and high profile sponsorships.