

# New national VoIP provider launches with large number of corporate and residential customers and eyes on near-term market leadership

Acquires Shiftreload broadband provider

Proposed \$1.5m fund raising from US venture capitalist at 5c/share

Negotiating with US and European VoIP providers for global termination and reciprocal trade

First company to offer bundled broadband, unlimited VoIP and line rental product

Australian publicly listed company Broad Investments Limited (ASX:BRO) has entered the broadband telephony market with the launch of wholly owned subsidiary BroadIP, a corporate and residential VoIP provider offering full national coverage.

BroadIP ([www.broadip.com.au](http://www.broadip.com.au)) is implementing an aggressive growth strategy with the aim of becoming the market leader based on paying subscriber numbers and customer revenue in the small to medium enterprise (SME) market within 12 months, and a significant player in the large corporate space.

The new company is starting from a position of strength, having already secured more than \$720,000 in corporate VoIP contracts in the past 60 days while testing its offering in the corporate market. These contracts also include a number of small hotel and tourism properties, a market segment for which BroadIP has developed a very cost effective product, offering savings of 50-55% on their current telecommunications expenditure.

Acquisition of Shiftreload and New CTO

BroadIP has secured 2000 residential customers following the acquisition of small but profitable broadband provider Shiftreload in a transaction valued at \$500,000 (\$100,000 in cash and \$400,000 in script issued at 10c per share), demonstrating the belief of the Vendors in Broad Investments future prospects and share price growth.

Pending today's announcement, Broad Investments shares were placed on a trading halt on Friday 31 March. At the time the shares were trading at 2.1c.

With the new customers, the value of this transaction is significantly greater for BroadIP than the dollar amount indicates, said Broad Investments Chairman Vaz Hovanesian.

As part of the acquisition, Shiftreload CEO, Michael Anderson, has joined BroadIP as Chief Technology Officer.

Growth Plans

BroadIP is forecasting a modest net profit after tax for financial year 2006-07.

It 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.

Our competitors are out there signing up clients but losing money. BroadIP will be making money in its first year. We are driving revenue and bottomline growth. This is not a loss-making business its going to make money, Mr Hovanesian said.

We have signed up a significant number of corporate clients already. Weve been testing the marketplace for some time, and the time is right to take our offering to the market. Its a big market some 20,000 Australians sign up to broadband every week. It is expected that there will be 4.5 million people with a broadband connection in Australia by the end of 2006. Theyre our target. VoIPs not just for geeks anymore its for everyone.

We believe we are the first Australian company to provide a bundled broadband, unlimited VoIP and line rental product, and a true unlimited local and national access plan for residential customers, said Mr Hovanesian.

BroadIP is finalising negotiations with US and European VoIP providers for global termination and reciprocal trade. When these deals are in place, BroadIP will create additional revenue streams through unlimited international call products and by terminating calls for customers of other international VoIP providers.

Fund Raising

To fund its rapid expansion, Broad Investments expects to complete and announce the raising of up to \$1.5m through a share and option issue to a US-based venture capitalist at 5c per share and exercise price of options, further demonstrating the belief in the potential of Broad Investments new strategy which should underpin the Companys recent share price improvement.

Beyond the \$1.5m raising, Broad Investments does not anticipate any further need for funds for BroadIP because it is expected the value of our contracts will give us a stable and strong revenue base to fund our future expansion, Mr Hovanesian added.

BroadIP VoIP Plans

Residential:

\$19.99 per month 200 minutes in local and national calls and then 10 cents flat rate per call thereafter. Calls to mobiles at 27 cents per minute and

international rates start at 2 cents per minute.

\$49.99 per month Unlimited local and national calls. Calls to mobiles at 27 cents per minute and international rates start at 2 cents per minute.

\$120 per month bundled Broadband and Voice - broadband connection plus unlimited local and national calls (as per the \$49.99 per month plan) and Telstra line rental.

Corporate:

From \$75 per month per user with unlimited local and national calls. Free MiTel VoIP-enabled handset included.

ENDS

About Broad Investments Limited

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 up services gateways. Broad Investments also exclusively launched UK-based integrated consumer interactivity solutions provider Amplefutures highly successful mobile marketing application, Pocket Portal, in Australia. Broad Investments has entered the broadband telephony market with the launch of wholly owned subsidiary BroadIP, a corporate and residential VoIP provider offering full national coverage.