

BROAD INVESTMENTS LIMITED
ACN 087 813 090

TO: AUSTRALIAN STOCK EXCHANGE LIMITED (“ASX”)
FROM: BROAD INVESTMENTS LIMITED (“Broad”)
DATE: 3rd JULY 2008
SUBJECT: ACQUISITION OF BUSINESS BY BROAD SUBSIDIARY

The Board of Broad is pleased to advise that it has entered into an agreement for the acquisition of a Technology Managed Services Business which will complement its own technology business and in particular will allow the Company, together with the skill set within the new business, to better leverage off the facilities available at its Sydney and Melbourne premises.

The acquisition of the Managed Services business from AMS Global, was originally set up by the Asia Pac division of a multinational company approximately 3 years ago, but was no longer core to its operations. The acquisition by Broad was timely and at a favourable price. The new business will operate under a new Broad subsidiary, Mirrus Pty Limited, trading as Mirrus Managed Services, and will primarily function from the existing premises of the business at Keilor Park, Victoria.

Essentially, the business provides Provisioning Services to Telecommunication & ICT companies with the scope for substantial expansion of services well within the capacity of the acquired business and requiring a minimum additional investment. The warehouse, Data Centre and Facilities at BRO’s Sydney premises will also complement the business of Mirrus.

The consideration for the acquisition will be partly funded by the issue of 395 Million BRO shares issued at 0.2 cents per share under Listing Rule 7.1 (15% of Capital Rule) and a Convertible Note of \$710,000 convertible at the discretion of the Note Holder and at the lower of 0.2 cents or the average 5 day trading price prior to conversion. The Note Holder has indicated that when the Company had capacity to issue shares, that subject to compliance with the Corporations Act 2001 (Cwlth), it would favourably consider the conversion of part or whole of the Note to shares. In this regard, the Company will hold a General Meeting of shareholders sometime in the near future to facilitate the issue of additional shares.

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Under the terms of the acquisition agreement, which became binding upon Mirrus & Broad on 30th June 2008, Mirrus has had management and operational control of the business since 1st April 2008. Given the lower cost structure within the Broad Group and the trading results of Mirrus for the 3 months from 1st April to 30 June, it is apparent that the business will deliver better results than initially projected.

Other terms and details of the transaction and the business are confidential under the agreement. However, Broad is able to state that the consideration was negotiated and agreed to be paid in instalments in order to minimise impact on Broad's cash flow.

For any queries please contact the undersigned on 02 9425 0000.

By order of the Board
Broad Investments Limited

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