

BROAD INVESTMENTS LIMITED
ACN 087 813 090

To: Australian Securities Exchange Ltd (ASX)
From: Broad Investments Ltd (ASX: BRO)
Date: 5 November 2014
Subject: Market Update

Market Update:

Following the release of the 2014 September Quarter Appendix 4C on 30 October, 2104, the Board is pleased to advise that since 1st April 2013; Broad Investments Ltd has achieved six consecutive quarters of positive operating cash flow.

More importantly, as is evident from the 2014 Annual Report lodged earlier today and the Full Year Statutory Accounts released on 30 September, 2104, that the Company achieved a modest after tax profit of \$45,020 during the financial year ended 30 June, 2014.

This result is significant, in that it is the first profit ever achieved by Broad Investments Ltd in its 14 years of trading as an ASX listed company and is a substantial turnaround compared to its 2013 loss of \$1,341,133 and represents a 103.4% improvement. This was largely due to an increase in revenues by \$675,442 (+21.6%) and a reduction in expenses and impairments of \$1,118,909. However, improved productivity within the Mirrus and Unified subsidiaries has been a key reason for the maiden profit.

Furthermore, the positive cash flow over the last six consecutive quarters has allowed the Company to marginally reduce debt and avoid diluting shareholders via further equity placements or capital raising.

Whilst achieving its maiden profit in 2014 is encouraging, and the Board is hopeful that the trend will continue, the 2015 and beyond results will substantially depend on the renewal and continuation of existing or negotiation of new contracts and arrangements for provisioning services to the ICT and telecommunications sector. Nevertheless, the Board is always looking to reduce costs and improve productivity where possible, and to identify transactions and opportunities to add value and/or increase revenue and profit.

In this regard, the Board is pleased to advise that following a successful "Expression of Interest" submission, the Directors and management are currently considering a substantial acquisition, which has now reached due diligence and independent valuation stage, but is still subject to successful financing and final terms and price negotiation. The Board will provide further updates should this or any other transaction it may be currently considering or working on, reaches a level of certainty in negotiations, due diligence and financing, which the Board can reasonably be confident of completion.

By Order of the Board
Broad Investments Limited

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