

Company Announcement Office  
Australian Stock Exchange  
Exchange centre  
Level 4, 20 Bridge Street  
SYDNEY NSW 2000



## **FINAL**

# **BigAir Group exceeds its revenue forecasts for the Full Year ending 30 June 2006**

**SYDNEY, Australia – September 13<sup>th</sup>, 2006:** The Directors of BigAir Group Ltd (ASX: BGL) have announced the maiden result as a publicly listed company. The Directors are pleased to announce that its revenues increased by 1132% in the Full Year ending June 30 2006. Consolidated revenue for 2005-06 was \$6.9 million which exceeded the \$6.5 million guidance provided to the market in May of this year, and Gross Profit increased by 419% to \$2 million.

BigAir Financial and Operational Highlights include:

- Sales Revenue Up by 1132% to \$6.9 million
- Gross Profit Up by 419% to \$2 million
- Subscriber numbers Up by 150%

A major component of this revenue growth was related to the acquisition of the Veritel Wireless business during the year which was acquired as at 1<sup>st</sup> July 2005. The Veritel business unit revenues were included in the prospectus in the Pro forma consolidated Full Year revenues for 2004-05. The comparison between the Pro forma Full Year ending June 30 2005 and the Full Year ending June 30 2006 shows strong growth and improving EBITDA:

- Sales Revenue Up by 112% from \$3.2 million to \$6.9 million
- EBITDA loss improved by 15% from \$1.25 million to \$1.07 million

The EBITDA loss as a percentage of Revenue was reduced from 39% in 2004-05 to just 15% in 2005-06 despite a large increase in operating costs relating to the company's recent transition to a listed company on the ASX, and the successful integration of a number of acquisitions made during the year.

The public listing of BigAir Group in April 2006 was a major step forward for the company in the pursuit of its vision to become one of the leading providers of wireless broadband services in Australia. Net proceeds from the IPO capital raising amounted to \$6.3 million. The company held cash balances in excess of \$5 million as at 30 June 2006, after investing more than \$1.5 million during the year on capital equipment and acquisitions.

During 2005-06, the company undertook an ambitious program including four acquisitions, which were all successfully integrated into the BigAir business. The company also relocated to expanded premises and successfully completed its share market listing on the ASX, which also resulted in significant once off costs.

With a substantially enhanced customer base, the company strengthened its position in key market segments and opened up new market opportunities. As a

result of these strategic initiatives, BigAir's scale and service capabilities were considerably increased. With subscriber numbers increasing by 150% during the year, to more than 10,000 as at July 2006, the company is well on the way towards achieving its vision.

BigAir Group CEO, Mr Jason Ashton in commenting on the result said "Having successfully bedded down four acquisitions and expanded our customer base by 150% over the past year, the company is exceptionally well positioned to build a major presence in the wireless broadband market".

Wireless broadband is one of the fastest growing segments of the telecommunications industry and BigAir has put in place a very powerful value proposition that provides business, professional and retail customers with high speed, low cost access. BigAir is the only Australian wireless provider that offers both high speed business-grade fixed wireless services and mobile wireless data services. Since BigAir controls its own network, it owns the critical "last mile" customer connection and is wholly independent of Telstra's network infrastructure and associated costs.

In the current year the company expects to boost its penetration of the Sydney commercial market for high speed broadband, further develop the residential broadband opportunity provided by its WHome business unit, review the roll-out opportunities for its wireless network infrastructure and business model in other capital cities and to consider further targeted acquisitions. As a result of these growth strategies, the company looks forward to further substantial customer and revenue growth in 2006-07.

#### **About BigAir Group Limited**

ASX listed BigAir Group (BGL) is a wireless broadband service provider offering high-speed data telecommunications services to customers over 3 state of the art wireless networks in Australia. BigAir owns and operates its own fixed wireless network covering the Sydney metro area, and is the largest provider of customer services on the iBurst mobile wireless network with coverage in all Australian eastern capital cities. BigAir also provides services on the Unwired network that has coverage in Sydney and Melbourne. BigAir is able to offer a wide range of wireless communication solutions including its high-speed symmetric fixed wireless broadband which offers speeds up to 100Mbps. BigAir also offers a range of the fastest mobile and portable broadband services offering speeds up to 1Mbps. For further information, please visit [www.bigair.com.au](http://www.bigair.com.au).

#### **Investor Relations:**

Jason Ashton  
BigAir Group Limited  
02 9993 1316  
[jason@bigair.net.au](mailto:jason@bigair.net.au)

#### **Media Enquiries:**

Michelle Zahra  
Porter Novelli  
02 8424 8500  
[mzahra@porternovelli.com.au](mailto:mzahra@porternovelli.com.au)

# Preliminary Final Report of BigAir Group Limited for the Financial Year Ended 30 June 2006

(ABN 57 098 572 626)

*This Preliminary Final Report is provided to the  
Australian Stock Exchange (ASX) under ASX Listing  
Rule 4.3A.*

Current Reporting Period:

Financial Year ending 30 June 2006

Previous Corresponding Period:

Financial Year ending 30 June 2005

**Source Reference:** ASX Appdx 4E.1, ASX Listing Rules 4.3C.1

# BigAir Group Limited

## Results for announcement to the Market

Name of entity: BigAir Group Limited

### 1. Details of the reporting period

Current Period: 1 July 2005 – 30 June 2006

Previous Corresponding Period: 1 July 2004 – 30 June 2005

### 2. Results for announcement to the market

			Percentage Change (%)	Amount \$
2.1	Revenues from ordinary activities	Up	1,132	to 6,889,858
2.2	Net loss attributable to members	Down	-412	to (1,333,144)

#### 2.3 Dividends (Distributions)

		Amount per security	Franked amount per security
	Final dividend	Nil	Nil
	Interim dividend	Nil	Nil

#### 2.4 Record date for determining entitlements to the dividend:

- final dividend N/A
- interim dividend N/A

#### 2.5 **Brief Explanation of Revenue, Net Profit and Dividends (Distributions):**

The revenues for the current period have increased greatly compared to the previous corresponding period due to organic growth and also due to the acquisition of Veritel Australia Pty Ltd. See also Review of Operations in the attached Directors' Report.

### 3. Statement of Financial Performance with notes

Refer attached financial statements.

### 4. Statement of Financial Position with notes

Refer attached financial statements.

### 5. Statement of Cash Flow with notes

Refer attached financial statements.

### 6. Details of dividends / distributions

No dividends have been paid during the period and the directors do not recommend that a dividend be paid.

### 7. Details of dividends / distribution reinvestment plan

The company does not have a dividend reinvestment plan.

# BigAir Group Limited

## Results for announcement to the Market

### **8. Statement of Contributed Equity and Reserves**

Refer attached financial statements (Note 16).

### **9. Net tangible assets per security**

	Current Period	Previous corresponding period (i)
Net asset backing share	13.2 cents	N/A
Net tangible asset backing per share(ii)	7.3 cents	N/A

(i) Due to share split in the previous corresponding period the net tangible assets per security from previous corresponding period does not represent fair comparison between the two periods.

(ii) Excludes goodwill on acquisition and other intangible assets.

### **10. Control gained or lost over entities during the period**

10.1	Name of entity (or group of entities) over which control was gained	Veritel Australia Pty Ltd
10.2	Date control was gained	1 July 2005
10.3	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was acquired	(986,048)
10.4	Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A
10.5	Name of entity (or group of entities) over which control was lost	N/A
10.6	Date control was lost	N/A
10.7	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	N/A
10.8	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	N/A

### **11. Details of associates and joint venture entities**

BigAir does not have an interest in any associates or joint ventures.

### **12. Other significant information**

Refer attached financial statements (Directors' Report).

### **13. Accounting standards used by foreign entities**

Not Applicable.

### **14. Commentary on Results**

		Current Period	Previous corresponding period (i)
14.1	Earnings per share	(2.2) cents	N/A
14.2	Returns to shareholders: Dividends	Nil	Nil

# BigAir Group Limited

## Results for announcement to the Market

14.3	Significant features of operating performance  Refer attached financial statements (Directors' Report).		

*(i) Due to share split in the previous corresponding period the earnings per share from previous corresponding period does not represent fair comparison between the two periods.*

### **14.4 Segment results**

The principal activity of the company during the year was the provision of wireless broadband services to businesses. Refer attached financial statements.

### **14.5 Trends in performance**

The company continues to grow both its sales and customers as a result of the expansion of its network and the increase in the range of products demanded by business.

### **14.6 Other factors**

Provide discussion of any other factors which have affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified.

#### **Assets**

- The company has cash reserves exceeding \$5 million.

#### **Equity**

- The company has a equity base exceeding \$8 million.

#### **Cash flows from operating activities**

- Cash receipts from the customers increased to \$8,010,909 for the year (2005: \$522,133).

#### **Cash flows from investing activities**

- Net cash outflows from investing activities were \$1,616,058 (2005: \$472,237). Of this \$686,846 relates to purchase of equipment relating to customer growth and expansion of the network.

#### **Cash flows from financing activities**

- Net cash inflows from financing activities were \$6,513,342 (2005: outflow \$64,811).

- Cash flows in the current year include repayment of loans.

### **15. Audit / review of accounts upon which this report is based**

This report is based on accounts which have been audited (refer attached financial statements).

### **16. Accounts not yet audited or reviewed**

Not applicable (see above).

### **17. Qualification of audit / review**

There was no qualification.



# **BigAir Group Limited** **(ASX: BGL)**

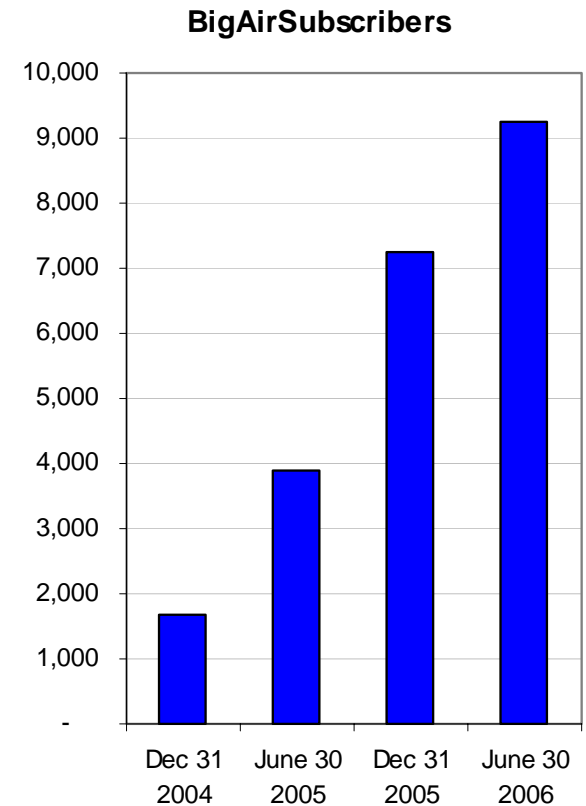


**Financial Year ending June 30 2006**  
**September 2006**



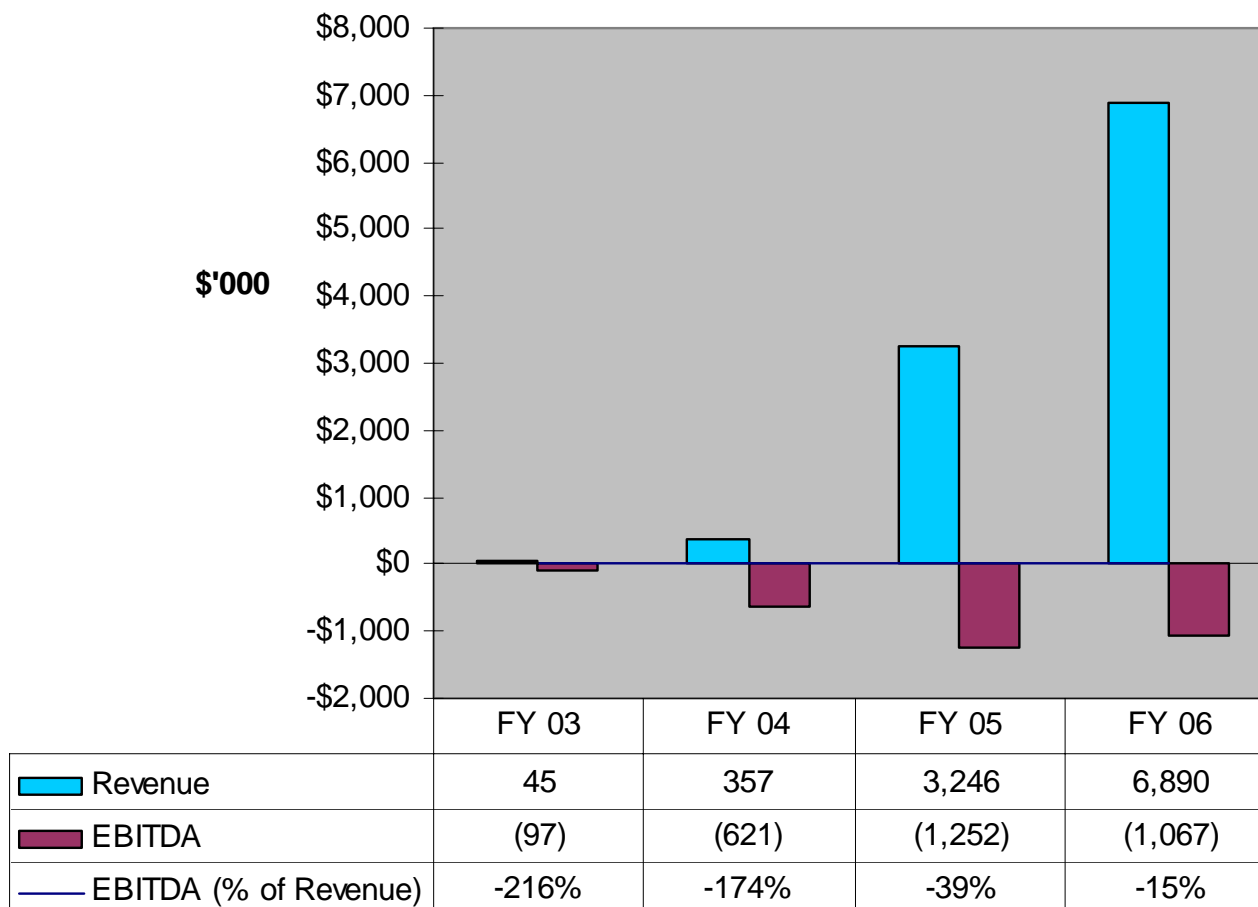
## Year ending 30 June 2006 – Result highlights

- Revenue increased by 112% to \$6.90 million
- EBITDA loss reduced by 15% to \$1.07 million
- \$5 million in cash reserves as at 30 June 2006
- Subscriber numbers increased by 150%
- Raised \$6.3million (net proceeds) through IPO
- Successfully completed 4 acquisitions –
  - Veritel Wireless (iBurst and Unwired wholesaler)
  - Ozemail iBurst customer base
  - T3 iBurst customer base
  - Whome residential broadband MDU business





## Revenue & EBITDA

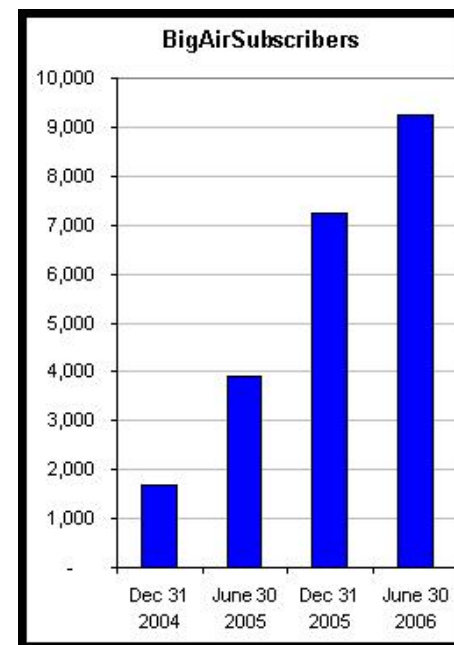


Notes: The results are the pro-forma addition of BigAir Group Limited and its 100% owned subsidiary Veritel Wireless Pty Ltd.

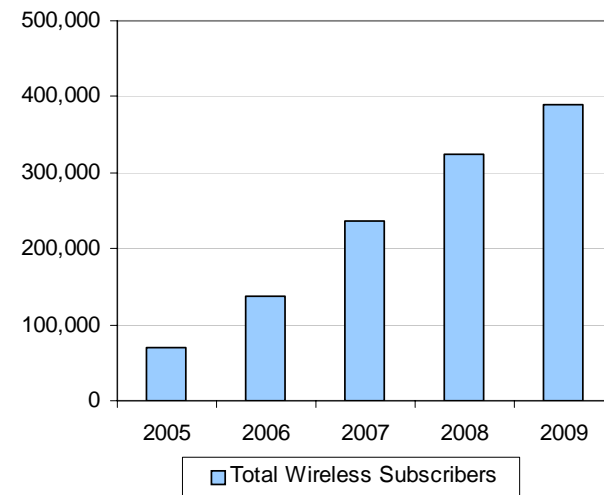


## Company Overview

- BigAir has a premium wireless product portfolio – combining its own high speed fixed wireless network, along with mobile wireless from both iBurst and Unwired.
- BigAir owns its customers and Telstra is bypassed for both Data and Voice generating high margins.
- BigAir is experiencing strong customer growth passing 10,000 subscribers in July 2006 – an increase of 150% over 12 months.
- IDC predicts the wireless broadband market will grow to 400,000 subscribers by end 2009, at a growth rate which is 3 times faster than the overall broadband market.
- BigAir is leveraged to the future success of three of the leading wireless broadband networks in Australia



**IDC: 5 Year Forecast for the Australian Wireless Broadband Market**





## Key Company Data

---

ASX Code:	BGL
Current Price (12 September):	\$0.17
Range since IPO (7 April 06):	\$0.125 - \$0.285
Issued Capital (37.3% in escrow):	83.5 million shares
<b>Market Capitalisation:</b>	<b>\$14.5 million</b>
Unlisted options:	11 million
Cash at Bank (30 June 2006):	\$5.0 million
<b>Implied Market Value of Business:</b>	<b>\$9.5 million</b>



## Disclaimer

---

This presentation contains forward-looking statements that involve risks and uncertainties.

These forward-looking statements are not guarantees of BigAir's future performance and involve a number of risks and uncertainties that may cause actual results to differ materially from the results discussed in these statements.

This presentation only contains information required for a preliminary evaluation of the Company and in particular only discloses information by way of summary within the knowledge of the Company and its Directors. An investor should seek its own independent professional advice in relation to the technical, financial, taxation, legal and commercial matters relating to any investment in BigAir Group Limited.

Other than to the extent required by law (and only to that extent) the Company and its officers, employees and professional advisers make no representation, guarantee or warranty (expressed or implied) as to, and assume no responsibility or liability for, the contents of this presentation.