

BigAir acquires W Home

SYDNEY, Australia BigAir Group Limited (BigAir; ASX:BGL) today announced the acquisition of the smart building assets and customers from W Home Communications Pty Ltd (W Home), a subsidiary of E-Pay Asia Limited (ASX:EPY; formerly SkyNetGlobal Limited).

W Home is a leading provider of broadband internet services to premium apartment buildings or Multi-dwelling Units (MDUs). W Home installs high-speed ADSL connections into a concentrator at each MDU and then distributes access throughout the building using VDSL and Ethernet technologies.

BigAir Chairman Tony Tobin commenting on the acquisition said, The W Home business is a complementary addition to the BigAir Group, providing a new sales channel as well as compelling cost benefits through leveraging our existing wireless infrastructure. This acquisition will deliver additional revenue immediately and will also provide significant opportunity for further growth as we expand the service in to the other MDUs.

BigAir will acquire the access agreements from W Home, which provide perpetual rights to deploy infrastructure in almost 100 MDUs. The W Home service has already been activated in 37 of these MDUs, which includes approximately 8,000 apartments across Sydney and Melbourne. BigAir is also acquiring the infrastructure used by W Home to service the customers in each building.

The acquisition is expected to immediately add more than 1,000 customers and around \$500,000 in annualised revenues to BigAir. The W Home service offering today includes broadband internet and BigAir intends to expand this offering in the future to include Voice over IP and Video on Demand.

The W Home smart building business model is an excellent fit with our independent high speed wireless broadband network. The existing W Home buildings are mostly serviced using slower ADSL and SDSL for the last mile network connection into each MDU. BigAir intends to replace these slower last mile connections with its own high speed symmetric fixed wireless connection, thus eliminating reliance on other carriers and also greatly improving the operating margins, said BigAir CEO, Jason Ashton.

A recent Analysys report commissioned by the Australian Competition and Consumer Commission (ACCC) suggests that wireless networks based on the emerging WiMax standard can provide a cheaper option than copper links for broadband, both in regional and urban areas. BigAir intends to combine its advanced wireless network with the existing W Home MDU infrastructure. W Home makes use of VDSL or Very-High-Speed Digital Subscriber Line, which transmits data at speeds up to 55 Mbps over short distances using twisted pair copper wire. The shorter the copper loop, the faster the connection rate.

The combination of our high speed wireless network connection to each MDU, with the VDSL and Ethernet distribution within the MDU, provides a low cost high speed platform which will support triple-play services. We will be able to deliver some of the fastest residential broadband speeds available, and we can completely bypass Telstra and its legacy copper network, said Jason Ashton.

Many of the tenants in these MDUs are professionals with higher than average incomes and requirements for high speed reliable broadband services. These users are also interested in advanced internet services such as Voice over IP (VOIP) and Video on Demand (VOD). We expect to grow our customer penetration strongly in these W Home buildings (from existing average of 12%) as we upgrade the infrastructure and expand the range of services offered, said Jason Ashton.

About BigAir Group Limited (ASX: BGL)

BigAir is a wireless broadband service provider which offers high speed data telecommunications services to customers over three 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 which has coverage in Sydney and Melbourne. Access to these three leading wireless networks positions BigAir as the leading integrated wireless solutions provider in Australia.

BigAir is a Licensed Telecommunications Carrier with plans to expand its Sydney based fixed wireless network into the other capital cities. BigAir is able to offer a range of wireless communication solutions including high-speed symmetric fixed broadband from 2M to 100M, mobile wireless and portable wireless services, and hosting and co-location. BigAir also delivers business-grade Voice over IP (VoIP) services. For more information, please visit www.bigair.com.au.