

# BigAir Group exceeds its revenue forecasts for the Full Year ending 30 June 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 1st 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 companys 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, BigAirs 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 Telstras 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.