

Anittel to Sell Network Infrastructure and Carrier Business for \$6.5 million

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Anittel Group Limited (ASX: 'AYG' - 'Anittel' or 'the Company'), is pleased to announce that it has entered into agreement with listed carrier BigAir Group Limited (ASX: 'BGL') for the sale of its general hosting and network infrastructure and carrier business for cash consideration of \$6.5 million. Subject to several conditions precedent (refer below) the sale agreement will be completed effective 31 January, 2014. This transaction follows on from the strategic review of Anittel's business carried out by PWC as advised in the Company's most recent results announcement.

Aside from the significant cash injection and subsequent balance sheet improvement, the sale of these elements of the overall Anittel portfolio of businesses, will enable the Company to focus its business around its rapidly expanding Hosted Collaboration Services (HCS) business alongside its well established IT Services and cloud business. This enhanced focus will enable greater investment in skills around technologies that are in increasing demand by Australian businesses.

Importantly Anittel will, via a reseller arrangement with BigAir, retain the ability to service its IT clients in respect of their voice and data networking requirements along with Anittel's traditional hosted IT services. This will see a continuity of the seamless service arrangements with anticipated overall benefits to the service being leveraged from BigAir's scale and focus. The recent consolidation across the communications sector underscores the increasing importance of scale in this market sector, a factor recognised by this transaction.

Additionally BigAir and Anittel will enter into arrangements around the distribution of Anittel's HCS offerings via the BigAir distribution network. This will, in conjunction with Anittel's broad reach, provide the potential for rapid uptake of this in-demand technology.

The anticipated 31 January completion is subject to:

- completion of due diligence by BigAir which is at an advanced stage, and
- normal commercial considerations around staff, clients and suppliers.

Anittel Executive Chairman and Managing Director, Peter Kazacos said: 'We believe this is a fantastic outcome for shareholders, clients, staff and the future Anittel business. The financial future of the business will have significantly improved underpinnings. Clients will enjoy enhanced benefits both via Anittel's greater focus and ability to invest, and by its ongoing servicing capability via the arrangement with BigAir. Staff who transfer to BigAir will have enhanced career prospects as will the balance of staff retained in the HCS and IT Services focused Anittel. This is a transaction that fundamentally recognises and takes into account market trends and the benefits of scale and focus.'

Anittel and BigAir executives are engaged in the development of a detailed transition plan and will issue progressive communications to all stakeholders in the period leading through to completion.

Further Information:

Peter Kazacos

Executive Chairman & Managing Director

Anittel Group Ltd

Level 10, 132 Arthur Street
North Sydney NSW 2060

P: 02 8275 6862

W: www.anittel.com.au

E: Peter.Kazacos@anittel.com.au

ACN: 98 009 805 298

About Anittel:

Anittel is an Australian IT & Telecommunications company; providing technology and connectivity services to organisations across regional and metropolitan Australia. Helping clients achieve their objective is our priority. When you engage Anittel, you partner with a local, professional, service driven team. You gain immediate access to personalised support, a network of accredited engineers and tier-one technology solutions.

