BIGAIR GROUP LIMITED

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BigAir expands Managed Services solutions via acquisition of Applaud IT

BigAir Group Limited ("BigAir") is pleased to announce that it has entered into a binding share sale agreement to acquire all of the shares in Applaud IT Pty Ltd ("Applaud"). The deal is expected to complete in July 2015 subject to satisfaction of conditions precedent. Applaud will operate as a wholly owned subsidiary within BigAir Group.

Commenting on the acquisition, BigAir CEO, Jason Ashton, said:

"The acquisition of Applaud is consistent with our Vision to be the #1 managed technology solutions provider servicing mid-market customers."

Applaud is expected to generate revenues between $6 million and $7 million and EBITDA of at least $700,000 in FY16. Revenue and earnings generated from the Applaud customer base are expected to improve further in subsequent years through cross-selling the wider BigAir service offerings into the Applaud customer base includings its market leading communications offerings.

Applaud has significant managed services and cloud services capability bolstered by its 10.5 years service desk experience which will further enhance BigAir's existing capabilities in these areas.

Acquisition and funding details

BigAir will acquire Applaud for an all cash consideration of $1.2 million payable on Completion which will be funded from existing debt facilities. Completion is expected to take place before the end of July 2015.

The acquisition is expected to be EPS accretive from FY16.

About Applaud

Applaud was founded in January 2005 primarily as a Managed Services Provider, specialising in Service Desk and Network Operations Centre capabilities. It has since extended that capability to provide an assortment of Integration, Consulting & Cloud Services capable of providing 'turn key' IT Service and Support to the mid-market segment. Its primary industry verticals include Human Resources, Private Healthcare, Supply Chain and Not For Profits.

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About BigAir Group Limited

BigAir owns and operates Australia's largest metropolitan fixed wireless broadband network. The Australian business market comprises nearly one million businesses and BigAir's network provides near blanket coverage across its largest cities including Sydney, Melbourne, Brisbane, Perth, Adelaide, Newcastle, Gold Coast, Sunshine Coast and Darwin, with further rollout currently underway. BigAir provides data solutions through its Channel partners that include Tier 1 and Tier 2 carriers and IT service companies and also through its own Corporate solutions team that can design and manage large corporate communication networks.

The BigAir Unified Communications division provides customers with innovative, fully integrated Cloud, Managed Services and Unified communications solutions, designed to satisfy business requirements in delivering reliable, feature rich, business grade services, backed by industry leading service and support.

The BigAir Community Broadband division is the leading provider of outsourced managed Internet services in the tertiary student accommodation market within Australia, with network infrastructure at more than 160 sites nationally, servicing large common areas and approximately 32,000 beds. BigAir is able to provide a complete end to end solution for student accommodation providers including both wireless and wired infrastructure delivering high speed broadband along with its advanced billing systems and 24/7 operational support systems. The Community Broadband division also supplies managed communications and WiFi solutions into Retirement Living villages, Shopping Centres, local councils and remote mining camps.

BigAir's competitive infrastructure advantage includes its state-of-the-art carrier-grade fixed wireless network which allows installation of dependable symmetric broadband services at speeds up to and beyond 1000Mbps with installation taking as little as a few hours. The fixed wireless network is also available in combination with traditional fixed line infrastructure such as fiber to provide critical network and application infrastructure with complete technology and carrier diversity.

For further information please visit www.bigair.com.au