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Attention: Company Announcement Officer

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BIGAIR BOARD UNANIMOUSLY RECOMMENDS MERGER PROPOSAL WITH SUPERLOOP

CREATION OF A MAJOR NEW FORCE IN TELECOMMUNICATIONS & MANAGED SERVICES

- **BigAir and Superloop have entered into a Scheme Implementation Deed pursuant to which Superloop will acquire 100% of BigAir at a significant premium**
- **BigAir shareholders are offered consideration of either shares in Superloop or a combination of shares in Superloop and cash**
- **The combined group will be a major full-service telecommunications and managed services company able to provide its customers with end-to-end voice, data, cloud and managed IT services utilising its own wireless and fibre-optic networks within the Australian market – and in due course in Singapore and Hong Kong, leveraging Superloop’s rapidly expanding footprint in those markets**
- **BigAir’s Board of Directors unanimously recommend that shareholders vote in favour of the Scheme, in the absence of a superior offer and subject to the independent expert concluding that the Scheme is in the best interests of BigAir shareholders**

BigAir Group Limited (ASX:BGL) (“BigAir”) announces that it has entered into a scheme implementation deed (“SID”) with Superloop Limited (ASX:SLC) (“Superloop”) pursuant to which Superloop will, subject to shareholder and Court approval, acquire 100% of the shares of BigAir by way of a scheme of arrangement (“Scheme”).

BigAir shareholders may elect as consideration for each BigAir share either:

- a) **all scrip:** 0.371 Superloop shares for each BigAir share held

This consideration reflects an implied value of (i) \$1.23, being a **premium of 46%** over the closing price of BigAir and Superloop shares on 13 September, 2016 of \$0.84 and \$3.31 respectively; and (ii) \$1.13 being a **premium of 43%** based on the one month daily weighted average price of BigAir and Superloop shares;



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OR

- b) **mixed alternative:** a combination of \$0.70 in cash payable on completion of the Scheme and 0.118 Superloop shares for each BigAir share held

This consideration reflects an implied value of: (i) \$1.09 being a **premium of 30%** over the closing price of BigAir and Superloop shares on 13 September, 2016 of \$0.84 and \$3.31 respectively; and (ii) \$1.06 being a **premium of 34%** based on the one month daily weighted average price of BigAir and Superloop shares.

The cash component of this mixed alternative is subject to a \$95 million cap on the amount of cash that will be paid, with a pro rata scale back of the amount of cash to be received by each BigAir shareholder who elects to receive the Mixed consideration alternative. If such a scale back occurs, each BigAir shareholder who elects to receive the Mixed consideration alternative will receive, in relation to each BigAir share held by them, an additional 0.00377 Superloop shares for each 1 cent of cash scaled back.

If no election is made, the all-share consideration will apply.

Superloop will fund the cash consideration of up to \$95 million by a combination of a placement announced today to raise approximately \$65 million and a new \$75 million revolving debt facility.

The merger with Superloop is expected to provide material benefits to BigAir's business and customers, including:

- Superloop will hyper-scale BigAir's high speed fixed wireless capabilities, and by leveraging Superloop fibre will build a low-cost access alternative for Gigabit+ speeds
- Enhanced network capabilities – BigAir will be able to offer its medium enterprise customers access to Superloop's fibre network with reduced reliance on third party infrastructure;
- IP transit and backhaul / transmission savings – as aggregated network flows enable the combined company to negotiate better terms with transmission providers;
- Expansion of existing managed service offerings into Asia – leveraging BigAir's cloud and managed IT service offerings across Superloop's customer base, initially in Australia and then also into Asia.

Jason Ashton, CEO of BigAir and Vivian Stewart, independent Chairman of BigAir, will join the board of Superloop if the Scheme completes. Bevan Slattery will remain CEO of the enlarged Superloop while Jason Ashton and Charles Chapman, CFO of BigAir, will join the Superloop management team.

BigAir's Board of Directors unanimously recommends that BigAir shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to an Independent Expert concluding that the Scheme is in the best interests of BigAir's shareholders.

Conditions precedent

The implementation of the Scheme is subject to conditions, including:

- BigAir shareholders approving the Scheme at a Scheme meeting;
- An Independent Expert (yet to be appointed) concluding that the Scheme is in the best interests of BigAir shareholders;



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- No adverse material event or prescribed occurrences in relation to either BigAir or Superloop;
- Court approval of the Scheme; and
- Other customary conditions including satisfaction of all regulatory approvals and there being no legal restraints on completion.

Exclusivity and break fees

The SID contains customary exclusivity provisions including no shop and no talk restrictions, a notification obligation and a matching right, subject to BigAir directors' fiduciary obligations where appropriate. The SID also details circumstances under which BigAir be required to pay a break fee equivalent to 1% of the transaction value to Superloop, and under which Superloop may be required to pay a reverse break fee to BigAir in an equivalent amount.

Call options

Certain BigAir shareholders who collectively hold 10% of BigAir shares, including parties associated with directors Jason Ashton and Vivian Stewart, have granted call options in favour of Superloop by way of individual Option Deeds. The option exercise price is the same as the Scheme consideration, including the ability to make the election between alternative forms of consideration.

Superloop may exercise the options in certain defined circumstances, including if the Scheme meeting is not held within the next 4 months and if a rival proposal is announced. The Option Deeds do not restrict how the grantors may exercise the voting rights in relation to their BigAir shares. Full terms of the Option Deeds will be disclosed by Superloop to ASX.

BigAir CEO Jason Aston said: "This merger enables BigAir shareholders to participate, on attractive terms, in one of the most compelling strategic opportunities in the Australian telecommunications and technology sectors. Superloop will be able to leverage BigAir's wireless capabilities to extend and diversify its footprint, whilst also offering an integrated suite of managed technology services and support. BigAir will be able to leverage Superloop's fibre infrastructure and reduce our reliance on our competitors' fibre networks. The combined group will be strongly positioned to provide customers with an end-to-end managed service offering utilising either fibre or wireless networks. I see significant growth potential here in Australia and across Asia from this combination and I am excited about the opportunity to join Bevan and his team in the growth of the combined BigAir and Superloop business".

Bevan Slattery, the CEO of Superloop, said: "Superloop is developing a leading fibre network across Australia and Asia. BigAir brings to the combined group, Australia's largest business focused metropolitan fixed wireless broadband network and outstanding cloud and managed IT services capabilities. In due course we will seek to leverage BigAir's capabilities across Superloop's entire Asian business. I am eagerly looking forward to the BigAir team joining us and together creating a business which will be a major force in Australian and Asian telecommunications and managed IT services."

A scheme meeting will be scheduled and, subject to the conditions of the Scheme being satisfied, the Scheme is expected to be implemented, in December 2016. A copy of the Scheme Implementation Deed will be lodged separately.

BigAir is being advised on the merger by TMT Partners and Baker & McKenzie.



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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 major cities and now includes extensive regional coverage. 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 Cloud Managed Services 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. 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

About Superloop Limited

Established in 2014, Superloop is quickly becoming one of the leading independent providers of interconnection services in the Asia Pacific region.

Superloop owns and operates fibre networks in Australia and Singapore spanning over 300km and connecting over 48 of the region's key data centres. The network is continually expanding with further extensions currently underway to connect the Singapore Exchange, IO and NTT data centres in Singapore.

In Hong Kong, Superloop is establishing a 110km fibre optic network connecting 30 strategic sites including the Hong Kong Stock Exchange data centre and is on track to commence operations in December 2016. Additionally, Superloop is



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constructing TKO Express, the first submarine cable to connect the traditional carrier hotels located in Chai Wan on Hong Kong Island and the data centre campus located at Hong Kong Science and Technology Park's Tseung Kwan O Industrial Estate on the mainland, providing much needed physical diversity and a lowest latency path between Hong Kong's major finance and technology hubs.

Superloop also operates acquired businesses APEXN and CINENET in Australia.

For more information, visit www.Superloop.com