

BigAir Group Limited  
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 Surry Hills, NSW 2010  
 Phone: (02) 9993 1300  
 Fax: (02) 8080 8162  
 www.bigair.com.au



## BigAir Group Limited Appendix 4D

### ***BigAir announces EBITDA profit of \$0.85 million for the half year ended 31<sup>st</sup> December 2008, an increase of 632% on the previous corresponding half year period.***

**SYDNEY, Australia – February 18<sup>th</sup>, 2009** – BigAir Group Limited announced today its EBITDA profit for the half year ended 31<sup>st</sup> December 2008 was \$849,414 an increase of \$733,347 or 632% versus EBITDA of \$116,067 recorded in the previous corresponding half year period. In addition the Company announces its maiden pre tax Profit of \$416,098 for the period, an improvement of \$1.7million versus the previous corresponding period.

The Company has now achieved 4 consecutive quarters of net positive cash flow and has finished the half year with \$1.9 million in cash and no debt. The Company has recently been notified by the ASX that it is no longer required to lodge quarterly Appendix 4C reports and its most recent lodgement on 30 January 2009 will be its last until further notice. The Company is leveraging its positive cash flow by continued expansion of its network nationally and through further development of its sales and marketing channels. These initiatives helped contribute to 41% growth in its higher margin "on-net" revenues for the half year.

|                               |   |      | Half-year<br>ended<br>31-Dec-08<br>\$ | Half-year<br>ended<br>31-Dec-07<br>\$ | Movement<br>\$ |
|-------------------------------|---|------|---------------------------------------|---------------------------------------|----------------|
| <b>Fixed "On-net" Revenue</b> | ▲ | 41%  | 2,360,502                             | 1,672,257                             | 688,245        |
| Mobile "Off-net" Revenue      | ▼ | -50% | 1,332,788                             | 2,653,602                             | (1,320,814)    |
| Total Revenue                 | ▼ | -15% | 3,693,290                             | 4,325,859                             | (632,569)      |
| Cost of Sales                 | ▼ | -41% | 1,474,564                             | 2,516,599                             | (1,042,035)    |
| <b>Gross Profit</b>           | ▲ | 23%  | 2,218,726                             | 1,809,260                             | 409,466        |
| Gross Profit Margin (% Rev)   | ▲ | 44%  | 60%                                   | 42%                                   | 18%            |
| Operating Expenses            | ▼ | -20% | 1,359,312                             | 1,693,193                             | (333,881)      |
| <b>EBITDA</b>                 | ▲ | 632% | 849,414                               | 116,067                               | 733,347        |
| <b>Net Profit Before Tax</b>  | ▲ | 132% | 416,098                               | (1,283,261)                           | 1,699,359      |
| <b>Net Profit after Tax</b>   | ▲ | 123% | 281,670                               | (1,242,387)                           | 1,524,057      |
| Earnings per Share            | ▲ | 124% | 0.3 cents                             | (1.4) cents                           |                |
| Net Tangible Assets per Share | ▲ | 41%  | 3.1 cents                             | 2.2 cents                             | 0.9 cents      |

The discontinuation of the “off-net” iBurst reseller business during the period has allowed the Company to complete the realignment of its business on its own “on-net” high-speed Fixed Wireless networks. As part of this realignment Mr Patrick Choi has expanded his responsibilities to include Chief Operating Officer in addition to his role as Chief Financial Officer for the Company. During the period the Company also announced the appointment of independent non-executive Chairman Mr Paul Tyler who brings a wealth of domestic and international telecommunications experience to the Board.

**Realignment on ‘fixed’ and continued improvement in operating efficiency has resulted in a 20% reduction in OPEX.**

With continued expansion of the higher margin “on-net” business, the closure of the iBurst business and a general improvement in operational efficiencies both Sales and Marketing expenses and General Administration expenses were reduced significantly versus the previous corresponding period. The implementation of a new CRM system (Customer Relationship Management) has also contributed to lowering customer support and marketing expenses.

| Operating Expenses comparison  |        | Half-year ended<br>31-Dec-08 | Half-year ended<br>31-Dec-07 | Movement  |
|--------------------------------|--------|------------------------------|------------------------------|-----------|
|                                |        |                              | \$                           | \$        |
| Employee benefits expense      | ▼ -2%  | (777,111)                    | (796,922)                    | (19,811)  |
| Sales and marketing expense    | ▼ -68% | (115,614)                    | (362,860)                    | (247,246) |
| General administration expense | ▼ -17% | (394,931)                    | (478,035)                    | (83,104)  |
| Occupancy costs                | ▲ 29%  | (71,656)                     | (55,376)                     | 16,280    |
| Total Operating Expenses       | ▼ -20% | (1,359,312)                  | (1,693,193)                  | (333,881) |

**Resources are now focused on Fixed Wireless**

The Company has now completed its initial network rollout in Perth which expands its network reach to the West Coast adding to the existing coverage across the Sydney, Melbourne and Brisbane markets. The BigAir wireless networks in each of these capital cities are connected using high capacity Fibre-Optic circuits which enables the Company to offer multi-site private network services to corporate and business customers. BigAir’s total network footprint now exceeds 13,000 square kilometres making it one of the largest fixed wireless networks in Australia. In addition, construction is underway to expand the existing Brisbane networks to other major business centres within South-East Queensland and further rollout is planned in other states. The company also expects to launch a new channel partnership program in Brisbane in the second half of financial year 2009.

In addition to a 41% increase in “on-net” revenues, gross margin grew at an even higher rate of 51% reflecting the scale of economies benefit achieved by growth in the network capacity and the customer base.

| <b>Fixed ("on-net") Wireless</b> |   |     | <b>Half-year<br/>ended<br/>31-Dec-08<br/>\$</b> | <b>Half-year<br/>ended<br/>31-Dec-07<br/>\$</b> | <b>Movement<br/>\$</b> |
|----------------------------------|---|-----|---|---|------------------------|
| Fixed Wireless Revenue           | ▲ | 41% | 2,360,502                                       | 1,672,257                                       | 688,245                |
| Fixed Wireless GP \$             | ▲ | 51% | 2,012,945                                       | 1,330,740                                       | 682,205                |
| Fixed Wireless GP %              | ▲ | 7%  | 85%   | 80%   |                        |

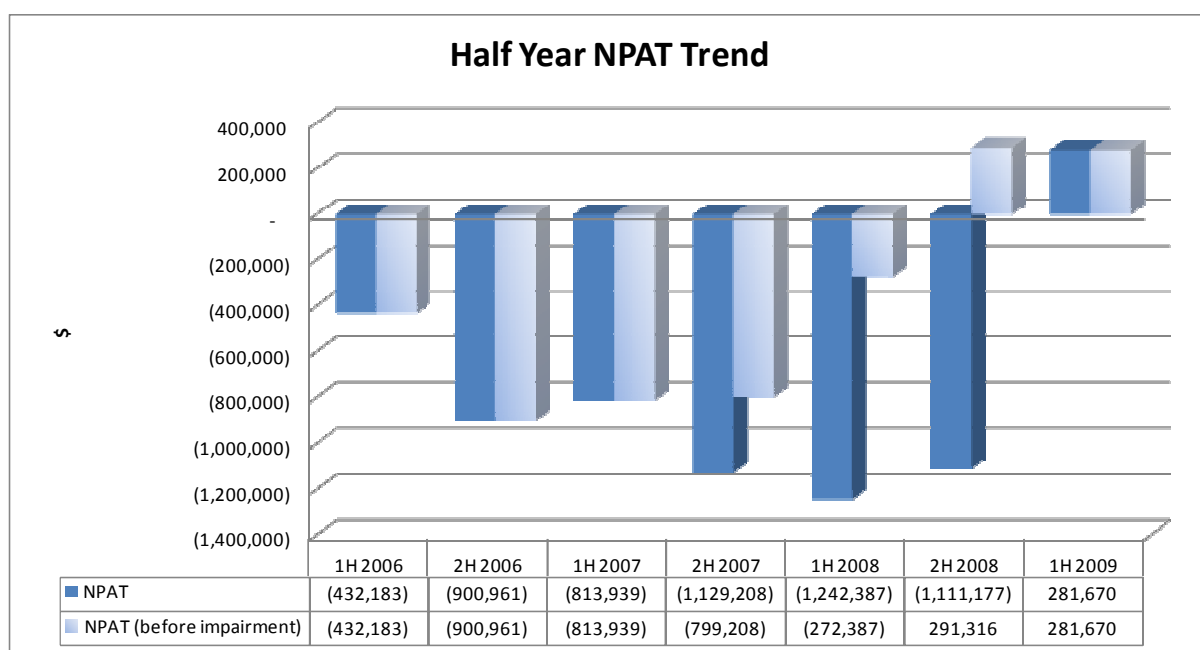
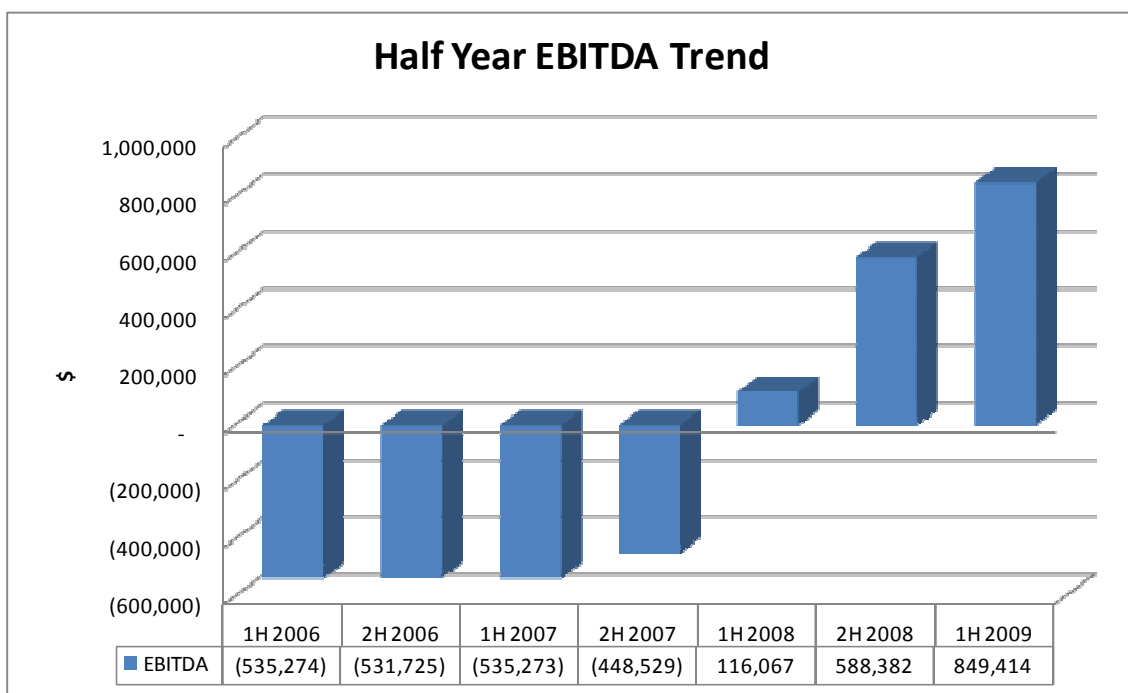
The company has now closed its iBurst business and migrated customers to '3' and Unwired services. The remaining goodwill and other intangible assets relating to the iBurst business had been written down in prior periods and no further balance sheet impact is anticipated. The Mobile division continues to provide Unwired services.

### Financial Performance

The Company achieved its best financial results to date in the half year ending 31 December 2008. Below are some of the key highlights -

- **Four consecutive quarters** of net positive cash flow resulting in closing cash balance of \$1.9 million
- Achievement of maiden **positive pre tax Profit** result for the half year of **\$416,098** an improvement of \$1,699,3597 versus the previous corresponding half year period
- EBITDA growth of **632%** from half year 2008 to half year 2009 to \$849,414
- "On-net" fixed wireless revenue growth of **42%**

|                              |   |             | <b>Half-year<br/>ended<br/>31-Dec-08<br/>\$</b> | <b>Half-year<br/>ended<br/>31-Dec-07<br/>\$</b> | <b>Movement<br/>\$</b> |
|------------------------------|---|-------------|---|---|------------------------|
| <b>EBITDA</b>                | ▲ | <b>632%</b> | <b>849,414</b>                                  | 116,067   | 733,347                |
| less Depreciation            | ▼ | 30%         | (322,785)                                       | (247,366)                                       | (75,419)               |
| less Amortisation            | ▼ | -48%        | (123,735)                                       | (237,716)                                       | 113,981                |
| less Impairment              | ▲ | 100%        | 0   | (970,000)                                       | 970,000                |
| Income Tax & Other Revenue   | ▼ | -225%       | (121,224)                                       | 96,628  | (217,852)              |
| <b>Net Profit before Tax</b> | ▲ | <b>132%</b> | <b>416,098</b>                                  | (1,283,261)                                     | 1,699,359              |
| <b>Net Profit after Tax</b>  | ▲ | <b>123%</b> | <b>281,670</b>                                  | (1,242,387)                                     | 1,524,057              |



## Business Outlook and Guidance

During the period the company completed the realignment of its business to focus on selling its own high margin, business-grade fixed broadband services and strengthened its Board and Management team. Despite the closing and loss of revenue from the iBurst resale business and the difficult market conditions the Company believes it remains on track to deliver previously forecasted full year EBITDA of \$1.5 million. BigAir had one of its strongest January new sales results in 2009 and is experiencing steady growth in its Fixed Wireless "on-net" revenue pipeline.

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## **About BigAir Group Limited**

BigAir owns and operates Australia's largest metropolitan fixed WiMAX\* broadband network.

The Australian business market comprises nearly one million businesses and BigAir's network provides near blanket coverage across its four largest cities Sydney, Melbourne, Brisbane and Perth. BigAir sells broadband and data services directly to business customers and also partners with other IT service companies who have existing relationships with business customers in order to deliver BigAir's high speed, cost effective WiMAX\* broadband solutions.

BigAir's competitive advantage includes its state-of-the-art WiMAX\* network which allows it to install business-grade symmetric broadband services at speeds up to 100Mbps and distances up to 30km from its base stations with installation taking just a few hours. Most of BigAir's competitor's rely on access to Telstra's copper network which can take weeks to install a service and does not deliver fast symmetric speeds. Competing legacy wireless networks such as the 3G mobile phone networks are also not nearly fast enough to meet the demands of business Internet users in an office environment.

\*802.16-2004 compliant or 802.16d; WiMAX™, and WiMAX Forum™ are trademarks of the WiMAX Forum

### **For investor relations enquiries please contact:**

Jason Ashton

Chief Executive Officer

BigAir Group Limited

02 9993 1316 | [jason@bigair.net.au](mailto:jason@bigair.net.au)

# **BigAir Group Limited**

**ACN 098 572 626**

**Half-year financial report for the half-year ended 31 December 2008**

# BigAir Group Limited

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# BigAir Group Limited

## Results for announcement to market

Current reporting period – half year ended 31 December 2008

Previous reporting period – half year ended 31 December 2007

| <b>Results</b>                                    |      |      |    | <b>A\$</b> |
|---|------|------|----|------------|
| Revenues from ordinary activities                 | Down | 15%  | To | 3,683,290  |
| Profit after tax attributable to members          | Up   | 123% | To | 281,670    |
| Net profit for the period attributable to members | Up   | 123% | To | 281,670    |

| <b>Dividends (distributions)</b>  | Amount per security | Franked amount per security |
|---|---------------------|-----------------------------|
| <b><i>Current period</i></b>  |                     |                             |
| Interim dividend declared   | 0.0 ¢               | 0.0 %                       |
| Final dividend paid   | 0.0 ¢               | 0.0 %                       |
| <b><i>Previous corresponding period</i></b>   |                     |                             |
| Interim dividend declared   | 0.0 ¢               | 0.0 %                       |
| Final dividend paid   | 0.0 ¢               | 0.0 %                       |
| Record date for determining entitlements to the dividend.                               | N/A                 |                             |
| The last date(s) for receipt of election notices for the dividend or distribution plans | N/A                 |                             |

### **Brief explanation of revenue, net profit and dividends (distributions).**

See the review of operations in the directors' report included in the financial statements.



# BigAir Group Limited

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## Other information required to be given to ASX under listing rule 4.2A.3

| <b>1. Net tangible assets per security</b> | Current period | Previous corresponding Period<br>(31 December 2007) |
|--|----------------|---|
| Net tangible assets per security (cents)   | 3.1 cents      | 2.2 cents   |

### **2. Details of entities over which control has been gained or lost during the period**

No control was gained or lost over any entities during the period.

### **3. Details of dividend payments**

No dividends have been paid during the period.

### **4. Dividend re-investment plan**

No dividend re-investment plan is in operation.

### **5. Associates or joint ventures**

The Group had no associates or joint ventures during or at the end of the period.

### **6. Audit/review**

The financial statements are not subject to review dispute or qualification.

# BigAir Group Limited

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## Directors' report

The directors of BigAir Group Limited and its subsidiary ("the Group") submit herewith the financial report for the half-year ended 31 December 2008. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

### Directors

The names of the directors of the company during or since the end of the half-year are:

- Paul Tyler
- Vivian Stewart
- Jason Ashton
- Nigel Jeffries
- Danny Herceg
- Patrick Choi

The above named directors held office of the company during and since the end of the half-year except for:

Danny Herceg – resigned 27 July 2008  
Paul Tyler – appointed 12 September 2008

### Review of operations

BigAir Group Limited achieved EBITDA profit for the half year ended 31<sup>st</sup> December 2008 of \$849,414 an increase of \$733,347 or 632% versus EBITDA of \$116,067 recorded in the previous corresponding half year period. In addition the Company also achieved its maiden pre tax profit of \$416,098 for the same half year period, an improvement of \$1,699,359 versus the previous corresponding half year period.

The Company has now achieved 4 consecutive quarters of net positive cash flow and has finished the half year with \$1,926,872 in cash and no debt. The Company has recently been notified by the ASX that it is no longer required to lodge quarterly Appendix 4C reports and its most recent lodgement on 30 January 2009 will be its last until further notice. The Company is leveraging its positive cash flow by continued expansion of its network nationally and through further development of its sales and marketing channels. These initiatives helped contribute to 41% growth in its higher margin "on-net" revenues for the half year.

# BigAir Group Limited

## Directors' report (cont'd)

|                               |   |      | Half-year<br>ended<br>31-Dec-08<br>\$ | Half-year<br>ended<br>31-Dec-07<br>\$ | Movement<br>\$ |
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# BigAir Group Limited

## Directors' report (cont'd)

| Operating Expenses comparison  |        | Half-year ended |             | Movement  |
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|                                |        | 31-Dec-08       | 31-Dec-07   |           |
|                                |        | \$              | \$          | \$        |
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| Fixed ("on-net") Wireless |       | Half-year ended |           | Movement |
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|                           |       | 31-Dec-08       | 31-Dec-07 |          |
|                           |       | \$              | \$        | \$       |
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# BigAir Group Limited

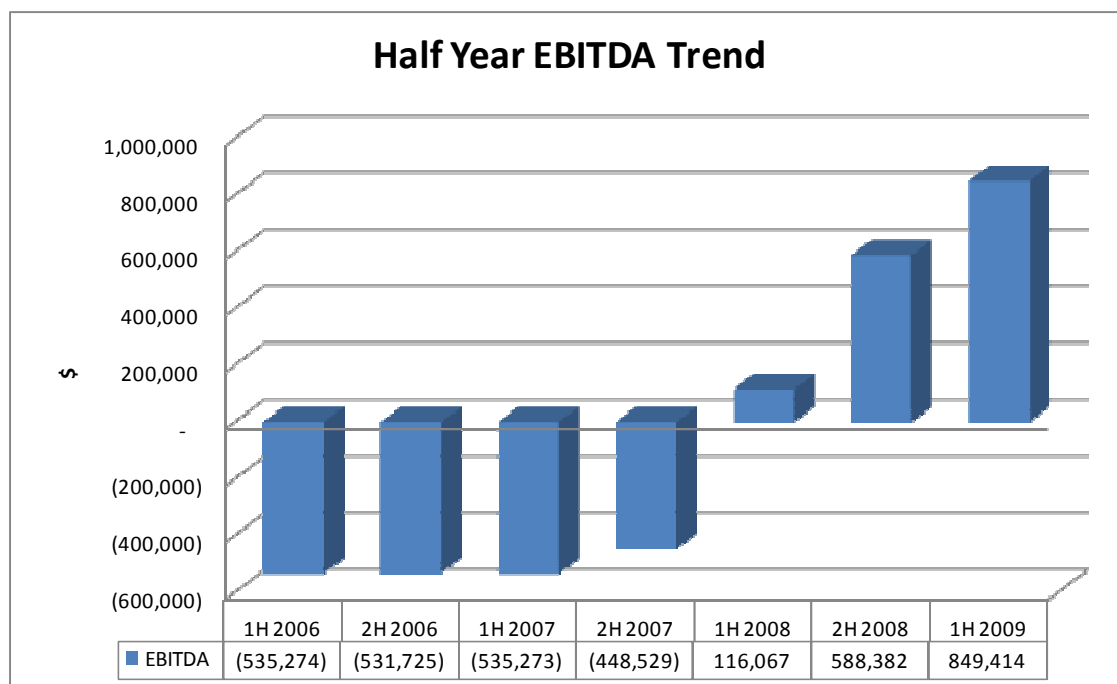
## Directors' report (cont'd)

### Financial Performance

The Company achieved its best financial results to date in the half year ending 31 December 2008. Below are some of the key highlights -

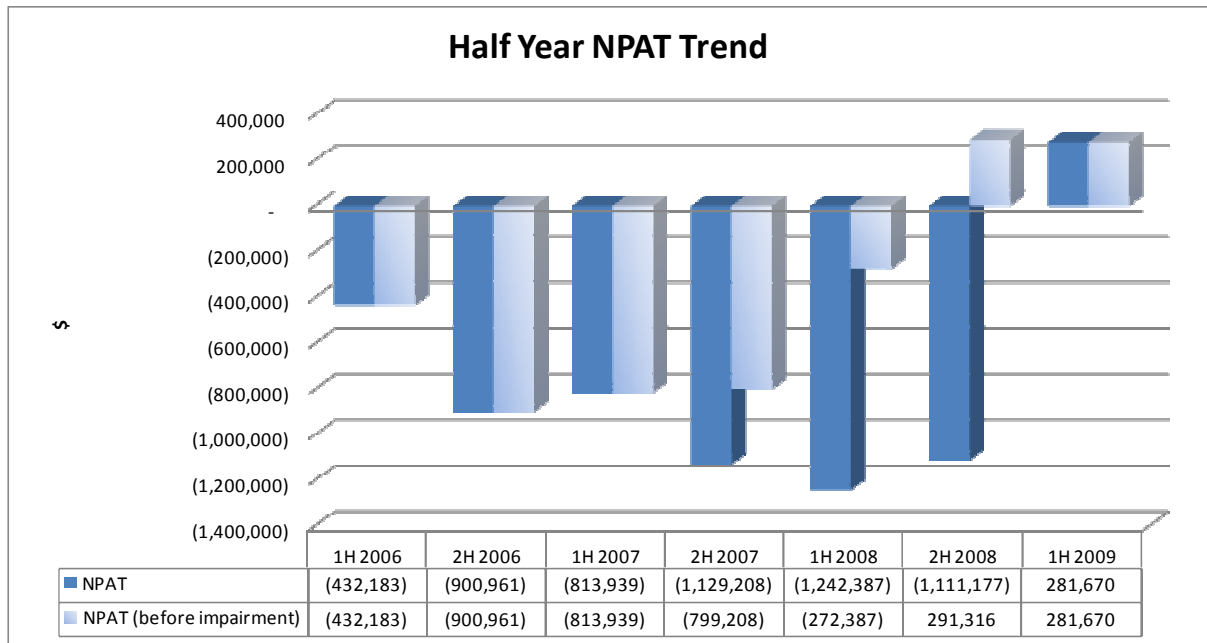
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| less Impairment              | ▲ | 100%        | 0                                  | (970,000)                          | 970,000        |
| Income Tax & Other Revenue   | ▼ | -225%       | (121,224)                          | 96,628                             | (217,852)      |
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# BigAir Group Limited

## Directors' report (cont'd)



### Business Outlook and Guidance

During the period the company completed the realignment of its business to focus on selling its own high margin, business-grade fixed broadband services and strengthened its Board and Management team. Despite the closing and loss of revenue from the iBurst resale business and the difficult market conditions the Company believes it remains on track to deliver previously forecasted full year EBITDA of \$1,500,000. BigAir had one of its strongest January new sales results in 2009 and is experiencing steady growth in its Fixed Wireless "on-net" revenue pipeline.

# BigAir Group Limited

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## Directors' report (cont'd)

### **Auditor's independence declaration**

The auditor's independence declaration is included on page 9 of the half-year financial report.

Signed in accordance with a resolution of the directors made pursuant to s.306 (3) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to be 'Paul Tyler', with a long horizontal stroke extending to the right.

Paul Tyler  
Non-Executive Chairman  
Director

Sydney, 18 February 2009

The Board of Directors  
BigAir Group Limited  
Level 3  
59 Buckingham Street  
Surry Hills NSW 2010

18 February 2009

Dear Sirs

### **BigAir Group Limited**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of BigAir Group Limited.

As lead audit partner for the review of the financial statements of BigAir Group Limited for the half-year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Adam Thompson  
Partner  
Chartered Accountants



## **Independent Auditor's Review Report to the Members of BigAir Group Limited**

We have reviewed the accompanying half-year financial report of BigAir Group Limited set out on page 12 to 18, which comprises the balance sheet as at 31 December 2008, and the income statement, cash flow statement, statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entity it controlled at the end of the half-year or from time to time during the half-year.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of BigAir Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Auditor's Independence Declaration*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of BigAir Group Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



DELOITTE TOUCHE TOHMATSU



Adam Thompson  
Partner  
Chartered Accountants  
Sydney, 18 February 2009

# BigAir Group Limited

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## Directors' declaration

The directors declare that:

- a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303 (5) of the Corporations Act 2001.

On behalf of the directors



Paul Tyler  
Non-Executive Chairman  
Director

Sydney, 18 February 2009

# BigAir Group Limited

## Condensed consolidated income statement for the half-year ended 31 December 2008

|  | Consolidated                                 |  |
|--|--|--|
|  | Half-Year Ended<br>31 December<br>2008<br>\$ | Half-Year Ended<br>31 December<br>2007<br>\$ |
| <b><i>Continuing operations</i></b>  |  |  |
| Revenue  | 3,683,290                                    | 4,325,859                                    |
| Cost of sales  | (1,474,564)                                  | (2,516,599)                                  |
| Gross profit   | 2,208,726                                    | 1,809,260                                    |
| Other revenue  | 13,204                                       | 55,754                                       |
| Employee benefits expense  | (777,111)                                    | (796,922)                                    |
| Sales and marketing expense  | (115,614)                                    | (362,860)                                    |
| General administration expense   | (394,931)                                    | (478,035)                                    |
| Depreciation and amortisation expenses   | (446,520)                                    | (485,082)                                    |
| Impairment expenses  | -  | (970,000)                                    |
| Occupancy costs  | (71,656)                                     | (55,376)                                     |
| <b><i>Profit / (Loss) before tax</i></b>                                       | 416,098                                      | (1,283,261)                                  |
| Income tax (expense) / benefit   | (134,428)                                    | 40,874                                       |
| <b><i>Loss for the period attributable to members of the parent entity</i></b> | 281,670                                      | (1,242,387)                                  |
| <b><i>Earnings per Share:</i></b>  |  |  |
| Basic (cents per share)  | 0.33   | (1.4)  |
| Diluted (cents per share)  | 0.33   | (1.4)  |

Notes to the financial statements are included on pages 17 to 18

# BigAir Group Limited

## Condensed consolidated balance sheet as at 31 December 2008

|                                  | Consolidated              |                       |                           |
|----------------------------------|---------------------------|-----------------------|---------------------------|
|                                  | 31 December<br>2008<br>\$ | 30 June<br>2008<br>\$ | 31 December<br>2007<br>\$ |
| <b>Current Assets</b>            |                           |                       |                           |
| Cash and cash equivalents        | 1,926,872                 | 1,662,245             | 1,402,034                 |
| Trade and other receivables      | 145,489                   | 280,364               | 484,216                   |
| Inventories                      | 3,091                     | 7,262                 | 30,634                    |
| Other                            | 18,286                    | 119,979               | 217,056                   |
| <b>Total Current Assets</b>      | <b>2,093,738</b>          | <b>2,069,850</b>      | <b>2,133,940</b>          |
| <b>Non-Current Assets</b>        |                           |                       |                           |
| Trade and other receivables      | 39,372                    | 34,827                | 34,080                    |
| Property, plant and equipment    | 1,994,502                 | 1,820,247             | 1,738,609                 |
| Deferred tax assets              | 1,742,788                 | 1,877,217             | 1,694,933                 |
| Goodwill                         | -                         | -                     | 1,286,645                 |
| Other intangible assets          | 142,566                   | 162,274               | 410,324                   |
| <b>Total Non-Current Assets</b>  | <b>3,919,228</b>          | <b>3,894,565</b>      | <b>5,164,591</b>          |
| <b>Total Assets</b>              | <b>6,012,966</b>          | <b>5,964,415</b>      | <b>7,298,531</b>          |
| <b>Current Liabilities</b>       |                           |                       |                           |
| Trade and other payables         | 1,458,367                 | 1,473,122             | 1,585,679                 |
| Income received in advance       | 44,480                    | 297,644               | 408,026                   |
| <b>Total Current Liabilities</b> | <b>1,502,847</b>          | <b>1,770,766</b>      | <b>1,993,705</b>          |
| <b>Total Liabilities</b>         | <b>1,502,847</b>          | <b>1,770,766</b>      | <b>1,993,705</b>          |
| <b>Net Assets</b>                | <b>4,510,119</b>          | <b>4,193,649</b>      | <b>5,304,826</b>          |
| <b>Equity</b>                    |                           |                       |                           |
| Issued capital                   | 10,578,051                | 10,543,251            | 10,543,251                |
| Reserves                         | 161,237                   | 161,237               | 161,237                   |
| Accumulated losses               | (6,229,169)               | (6,510,839)           | (5,399,662)               |
| <b>Total Equity</b>              | <b>4,510,119</b>          | <b>4,193,649</b>      | <b>5,304,826</b>          |

Notes to the financial statements are included on pages 17 to 18

# BigAir Group Limited

## Condensed consolidated statement of changes in equity for the half-year ended 31 December 2008

|   | Fully paid<br>ordinary<br>shares<br>\$ | Employee<br>equity-settled<br>benefits<br>\$ | Accumulated<br>losses<br>\$ | Total<br>\$ |
|---|--|--|-----------------------------|-------------|
| <b><i>Balance at 1 July 2007</i></b>                  | 10,543,251                             | 161,237                                      | (4,157,275)                 | 6,547,213   |
| Loss for the period                                   | -                                      | -  | (1,242,387)                 | (1,242,387) |
| <b><i>Total recognised<br/>income and expense</i></b> | -                                      | -  | (1,242,387)                 | (1,242,387) |
| <b><i>Balance at 31 December<br/>2007</i></b>         | 10,543,251                             | 161,237                                      | (5,399,662)                 | 5,304,826   |
| <b><i>Balance at 1 July 2008</i></b>                  | 10,543,251                             | 161,237                                      | (6,510,839)                 | 4,193,649   |
| Profit for the period                                 | -                                      | -  | 281,670                     | 281,670     |
| <b><i>Total recognised<br/>income and expense</i></b> | -                                      | -  | 281,670                     | 281,670     |
| Issue of shares to staff                              | 34,800                                 | -  | -                           | 34,800      |
| <b><i>Balance at 31<br/>December 2008</i></b>         | 10,578,051                             | 161,237                                      | (6,229,169)                 | 4,510,119   |

Notes to the financial statements are included on pages 17 to 18

# BigAir Group Limited

## Condensed consolidated cash flow statement for the half-year ended 31 December 2008

|   | Consolidated                                 |  |
|---|--|--|
|   | Half-year ended<br>31 December<br>2008<br>\$ | Half-year ended<br>31 December<br>2007<br>\$ |
| <b><i>Cash flows from operating activities</i></b>                        |  |  |
| Receipts from customers   | 3,996,975                                    | 4,541,862                                    |
| Payments to suppliers and employees                                       | (3,139,378)                                  | (5,345,122)                                  |
| Interest received   | 13,204                                       | 55,989                                       |
| Net cash provided by / (used in) operating activities                     | 870,801                                      | (747,271)                                    |
| <b><i>Cash flows from investing activities</i></b>                        |  |  |
| Payments for intangible assets  | (109,133)                                    | (75,162)                                     |
| Payments for plant and equipment  | (497,041)                                    | (546,680)                                    |
| Net cash used in investing activities                                     | (606,174)                                    | (621,842)                                    |
| <b><i>Net increase / (decrease) in cash held</i></b>                      | 264,627                                      | (1,369,113)                                  |
| <b><i>Cash and cash equivalents at the beginning of the half-year</i></b> | 1,662,245                                    | 2,771,147                                    |
| <b><i>Cash and cash equivalents at the end of the half-year</i></b>       | 1,926,872                                    | 1,402,034                                    |

Notes to the financial statements are included on pages 17 to 18

# BigAir Group Limited

## Notes to the condensed consolidated financial statements

### 1. Summary of accounting policies

#### Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

#### Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2008 annual financial report for the financial year ended 30 June 2008.

#### Adoption of new and revised Accounting Standards

In the current year, there are no new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) effective for annual reporting periods beginning on or after 1 July 2008 that are relevant to the Group's operations. As a result, the issue of new and revised Standards and Interpretations by the AASB has not resulted in any change to the amounts reported in the current or prior years.

### 2. Segment information

The following is an analysis of the revenue and results for the period, analysed by business segment, being the Group's primary basis of segmentation.

|                                    | Segment revenue  |                  | Segment result   |                    |
|------------------------------------|------------------|------------------|------------------|--------------------|
|                                    | Half-year ended  |                  | Half-year ended  |                    |
|                                    | 31 Dec           | 31 Dec           | 31 Dec           | 31 Dec             |
|                                    | 2008             | 2007             | 2008             | 2007               |
|                                    | \$               | \$               | \$               | \$                 |
| <b>Continuing operations</b>       |                  |                  |                  |                    |
| Mobile wireless division           | 1,322,788        | 2,653,602        | (227,782)        | (1,149,530)        |
| Fixed wireless division            | 2,360,502        | 1,672,257        | 1,271,062        | 388,419            |
|                                    | <u>3,683,290</u> | <u>4,325,859</u> | <u>1,043,280</u> | <u>(761,111)</u>   |
| Interest                           | 13,204           | 55,754           | 13,204           | 55,754             |
| Head office costs                  | -                | -                | (640,386)        | (577,904)          |
| Consolidated revenue               | <u>3,696,494</u> | <u>4,381,613</u> |                  |                    |
| Profit / (Loss) before tax         |                  |                  | 416,098          | (1,283,261)        |
| Income tax (expense)/benefit       |                  |                  | (134,428)        | 40,874             |
| Net profit / (loss) for the period |                  |                  | <u>281,670</u>   | <u>(1,242,387)</u> |



# BigAir Group Limited

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## Notes to the condensed consolidated financial statements (cont'd)

### 3. **Contingent liabilities and contingent assets**

The business has no contingent liabilities or assets as at the end of the half-year financial period. Nor have there been any change in contingent liabilities or assets since the end of the last annual reporting date.

### 4. **Commitments**

The business has a commitment to purchase infrastructure equipment in the next six months of \$214,869 (as at 31 December 2007: nil).