



BIGAIR GROUP LIMITED

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FOR IMMEDIATE RELEASE

BigAir announces takeover offer for Clever

BigAir Group Limited ("BigAir") is pleased to announce that it intends to make an off-market takeover bid for Clever Communications Australia Ltd ("Clever"). The Board of Clever has confirmed that they will unanimously recommend BigAir's bid, subject to no superior proposal being made and subject to reviewing and being satisfied with the bidder's statement.

BigAir Chairman, Paul Tyler, said of the Clever transaction, "The merger of two of the largest dedicated fixed wireless network operators in Australia is expected to create significant cost, revenue and capital expenditure synergies¹. The customers of both companies will benefit from the expanded network coverage and also the combined engineering and commercial strengths of the two organisations. This deal is part of our ongoing commitment to providing business broadband users with a compelling alternative to fixed line networks."

"From a financial perspective, the contribution of Clever to total BigAir Group Revenues is expected to be significant. Once the takeover is completed, we expect that following a short period of integration it will deliver a significant increase in EPS. We also expect earnings to improve further in subsequent years, following completion of the full network integration that will be undertaken and also once new sales and marketing initiatives start to leverage the expanded network footprint and service offerings. Furthermore, the merged group will be in an excellent position to drive further industry consolidation."

The Proposal

BigAir proposes to make an off-market takeover bid to acquire all of the shares in Clever that BigAir does not already own, at an offer price of 0.35 BigAir shares plus 1.82 cents cash for each Clever share.

The bid represents a substantial premium over the recent market price of Clever shares. The bid values each Clever share at approximately 8.3 cents based on the VWAP of BigAir shares during the 30 trading days up to and including 19 November 2010. This offer represents:

¹ Full realisation of potential synergies, cost savings, EPS increase and business integration benefits assume 100% acquisition of Clever. The bid will be conditional on acquiring only a 50.1% relevant interest, and acquiring control at a level below 100% will reduce these benefits and/or will result in them effectively being shared with minority shareholders in Clever.

- a premium of 25% based on the closing price of BigAir shares on 18 November 2010, being the last date that BigAir traded, and 6.8 cents, being the closing price of Clever shares on 19 November 2010, being the last date that Clever shares traded;
- a premium of 18% to the VWAP of Clever shares during the 30 days up to and including 19 November 2010, based on the VWAP of BigAir shares during the same period; and
- a premium of 27% to the VWAP of Clever shares during the 60 days up to and including 19 November 2010, based on the VWAP of BigAir shares during the same period.

The cash component will be reduced to the same extent that Clever pays any shareholder distributions between now and the close of the offer.

Unanimous Recommendation by Clever Board

Clever's directors have confirmed that they will unanimously recommend BigAir's bid, subject to no superior proposal being made and subject to reviewing and being satisfied with the bidder's statement.

Conditions Precedent

Details of the conditions of BigAir's bid (which include a 50.1% minimum acceptance) are set out in Schedule 1.

Exclusivity Agreement

Clever has agreed to an exclusivity agreement with BigAir, which will limit the ability of Clever's directors to actively solicit a competing bid for a short period. The exclusivity agreement will expire during the offer period. Details of the exclusivity agreement are set out in Schedule 2.

About Clever

Clever is one of Australia's largest fixed wireless broadband carriers and provider of managed communications solutions. Clever owns and operates one of Australia's largest fixed wireless networks across Melbourne, Sydney, Brisbane and Adelaide.

Clever provides high speed data and voice solutions to support Internet, Virtual Private Networks, Voice over IP, Redundancy, Short-term deployment and mission-critical business applications. Clever sells its products and services both directly to businesses and indirectly through a national network of partners.

Clever operates a carrier-diverse, high-availability internet protocol network that interconnects with Australia's major telecommunication carriers under wholesale supply agreements to deliver tailored data and voice solutions across the business, education and health sectors.

Timetable

BigAir is currently preparing the formal bid document and will be working with Clever for an efficient and timely implementation of the transaction.

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Information 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 six largest cities: Sydney, Melbourne, Brisbane, Perth Adelaide and Gold Coast. BigAir sells broadband and data services primarily through its channel partners who include ISPs, Carriers, and other IT service companies who have existing relationships with business customers in order to deliver BigAir's high speed, cost effective fixed wireless broadband solutions.

Schedule 1: Conditions Precedent

The Offer and any contract that results from the acceptance of the Offer is subject to the following conditions being fulfilled or waived by BigAir:

- (a) **(Minimum acceptance)** that during or at the end of the Offer Period BigAir has a relevant interest in at least 50.1% (by number) of Clever Shares on issue during or at the end of the Offer Period;
- (b) **(No restraint adversely affecting the Bid)** no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the making of the Offer or completion of the transactions contemplated by the Bid (other than an application to, or an order of, ASIC or the Panel in accordance with the Corporations Act) is in effect at the close of the Offer Period.
- (c) **(No Clever Material Adverse Change)** Between the Announcement Date and the end of the Offer Period (each inclusive), no Clever Material Adverse Change occurs.
- (d) **(Conduct of business)** Between the Announcement Date and the end of the Offer Period (each inclusive) none of the following have occurred:
 - (i) Clever or any Subsidiary of Clever doing or omitting to do anything that causes or is reasonably likely to cause any licence or permit necessary or desirable for the material conduct of its business to be suspended, revoked, cancelled or otherwise materially adversely impacted;
 - (ii) Clever or any Subsidiary of Clever acquiring (including by way of subscription for equity), offering to acquire, agreeing to acquire, leasing, or entering into a binding commitment, or granting a person an option to require it, to acquire or lease any asset for a consideration of greater than \$100,000, or making an announcement in relation to such an acquisition, offer or agreement;
 - (iii) Clever or any Subsidiary of Clever leasing, sub-leasing or disposing of, offering to lease or sub-lease or dispose of, agreeing to lease or sub-lease or dispose of or granting a person an option to require it to lease or sub-lease or dispose of any asset (including any shares held by Clever or a Subsidiary of Clever) (or any interest in one or more assets) for a consideration of greater than \$100,000, or making an announcement in relation to such a lease, sub-lease, disposition, agreement or option, other than inventory in the ordinary course of business;
 - (iv) Clever or a Subsidiary of Clever increasing its level of financial indebtedness (including financial liabilities incurred under finance leases), other than in the ordinary and usual course of business, by an amount in excess of \$100,000;
 - (v) Clever or any Subsidiary of Clever making capital expenditure in excess of \$250,000 in aggregate;
 - (vi) Clever or any Subsidiary of Clever entering into a material joint venture, partnership or other similar arrangement;
 - (vii) Clever or a Subsidiary of Clever creating, or agreeing to create, any mortgage, charge, lien or other encumbrance over the whole, or a substantial part, of its business or property; or

- (viii) Clever or any Subsidiary of Clever is or becomes a party to any material prosecution, litigation or arbitration other than as a plaintiff or applicant, in respect of Clever or any of its subsidiaries or their respective business or assets that exposes Clever or the subsidiary to a potential liability exceeding \$250,000 (including legal costs) or having a material effect on the business of Clever or any of its Subsidiaries, not including litigation that is initiated or instigated by BigAir or any of its Subsidiaries.
- (e) **(Distributions)** between the Announcement Date and the end of the Offer Period (each inclusive) Clever does not make or declare, or Clever Shareholders do not approve in general meeting, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie) which exceeds 2 cents per Clever Share.
- (f) **(No Prescribed Occurrence)** between the Announcement Date and the end of the Offer Period (each inclusive) none of the following have occurred without the prior written approval of BigAir:
 - (i) Clever converting all or any of its Shares into a larger or smaller number;
 - (ii) Clever or a Subsidiary of Clever resolving to reduce its share capital in any way (except for a return of capital not exceeding 2 cents per Clever Share) or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
 - (iii) Clever or a Subsidiary of Clever:
 - (A) entering into a buy-back agreement; or
 - (B) resolving to approve the terms of a buy-back agreement under the Corporations Act;
 - (iv) Clever or a Subsidiary of Clever issuing shares, securities or other instruments convertible into shares, debt securities or granting an option over its shares, or agreeing to make such an issue or grant such an option;
 - (v) Clever or a Subsidiary of Clever making any change or amendment to its constitution;
 - (vi) an Insolvency Event occurring in relation to Clever or a Subsidiary of Clever;
 - (vii) Clever or a Subsidiary of Clever disposes or agrees to dispose of, the whole, or a substantial part, of its business or property; or
 - (viii) Clever or a Subsidiary of Clever charges, or agrees to charge, the whole, or a substantial part, of its business or property.

Definitions

In this Schedule 1:

Announcement Date means 22 November 2010.

ASIC means the Australian Securities and Investments Commission.

Bid means an off-market takeover bid to be made by BigAir under Chapter 6 of the Corporations Act.

BigAir Shares means fully-paid ordinary shares in the capital of BigAir.

Clever Material Adverse Change means an event, occurrence, change, condition or matter which individually or when aggregated with all such events, occurrences, changes, conditions or matters has had, or could be reasonably expected to have, a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of Clever and its Subsidiaries taken as a whole.

Clever Shares means fully paid ordinary shares in the capital of Clever.

Insolvency Event means:

- (a) being in liquidation or provisional liquidation or bankruptcy or provisional bankruptcy or under administration;
- (b) having a controller, receiver, receiver and manager or analogous person appointed to it or any of its property;
- (c) being taken under section 459F(1) of the Corporations Act (or its statutory equivalent in any other jurisdiction) to have failed to comply with a statutory demand;
- (d) being unable to pay all its debts as and when they become due and payable or otherwise insolvent;
- (e) in relation to a person, dying, ceasing to be of full legal capacity or otherwise becoming incapable of managing its own affairs for any reason;
- (f) becoming an insolvent under administration (as defined in section 9 of the Corporations Act (or its statutory equivalent in any other jurisdiction));
- (g) entering into a compromise or arrangement with, or assignment for the benefit of, any of its members or creditors or any analogous event; or
- (h) the making of an order by a court for the winding up of a person, or a person resolving that it be wound up.

Offer means the offer to acquire Clever Shares by BigAir as set out in this ASX announcement.

Panel means the Takeovers Panel.

Subsidiary means has the meaning given in the *Corporations Act*.

Schedule 2: Exclusivity Agreement

For the purpose of conducting a limited, high level due diligence on certain key information of Clever, BigAir and Clever entered into a term sheet and a confidentiality agreement on 16 November 2010. The term sheet contains an exclusivity clause as follows:

"Clever agrees that for 4 weeks from the date of this Term Sheet, subject to the law:

- it will cease any discussions with, or provision of information to, third parties which may currently be being undertaken for the purpose of assisting or which may lead to a takeover, scheme of arrangement, or other control transaction in relation to Clever (**Competing Proposal**),
- it will not, and will ensure that its directors, officers, employees and advisers do not, solicit, encourage or initiate discussions or negotiations for the purpose of assisting or which may lead to a Competing Proposal, and
- it will not, and will ensure that its directors, officers, employees and advisers do not, enter into or participate in discussions or negotiations with any third party, or provide non-public information to any third party, for the purpose of assisting or which may lead to a Competing Proposal (whether or not solicited by Clever), except to the extent that Clever directors have determined, in good faith, that failing to respond to an unsolicited request for such discussions, negotiations or information would be likely to breach their statutory or fiduciary duties. Clever must (except to the extent that it would be likely to breach those same duties) promptly notify BigAir of any such request and details of the third party and the proposed terms."