

NETCOMM FY15 NET PROFIT UP 142% TO \$2.5 MILLION

14 August 2015 (Sydney): NetComm Wireless Limited (ASX: NTC) is pleased to announce its FY15 results for the twelve months ended 30 June 2015 which saw significant increases in revenue, EBITDA and net profit after tax compared to the previous corresponding period.

In FY15 NetComm Wireless continued to build its global Machine to Machine (M2M) business while further strengthening its position at the forefront of Rural Broadband as the NBN roll-out gathered pace.

FY15 – continued growth across all key metrics:

- Revenue up 15.1% to \$74.3 million (FY14: \$64.6 million) – above previous guidance of \$73.0 million
- Earnings before interest, tax, depreciation and amortisation (EBITDA) up 39.8% to \$7.3 million (FY14: \$5.2 million) – above previous guidance of \$7.0 million (achieved even after business reinvestment of \$1.8 million)
- Net profit after tax up 142.0% to \$2.5 million (FY14: \$1.0 million)
- Balance sheet remains strong with a net cash position.

Commenting on the result, NetComm Wireless Managing Director & CEO David Stewart said: “Our focus on and commitment to sustainably growing within the global M2M and domestic broadband solutions market is reflected in our strong operational and financial achievements over the past 12 months. We have continued to invest in the business given the substantial global growth opportunities available to the Company.”

NetComm Wireless’ strong performance reflected continued growth in the Ericsson/NBN fixed wireless Rural Broadband project, particularly in the second half of FY15. Revenues from this contract more than offset revenues generated in FY14 by the Ericsson AusNet Services and Cubic Transportation contracts and resulted in a substantial lift in revenue and earnings during FY15.

Commenting further on the FY15 operational and financial highlights, Mr Stewart said, “Our M2M business accounted for 45.5% of group sales during FY15 and 54.5% of EBITDA due to its higher margins. The domestic broadband device business’ revenue increased 29.2% during the year. This result was driven by higher sales of powerline devices and ADSL/VDSL products and exceeded expectations.

“EBITDA was up 39.8% in FY15. This pleasing result reflects the operating leverage of the business, with increased revenue in the second half substantially flowing through to EBITDA as the benefits of scale started to materialise. This result was achieved even after reinvesting \$1.8 million back into the business. Our investment in people and infrastructure is key to ensuring that the Company is well positioned for growth as we continue to pursue attractive global M2M opportunities.

“We are also pleased to deliver continued operational success, entering into two significant agreements in the last six months. In March, NetComm Wireless announced an agreement with Singtel to market its M2M products and services. This agreement adds another of the top 20 M2M telecommunications carriers globally to our ever-growing list of high quality partners. Additionally, we are honored to have been selected to deliver the ICT component of Hitachi’s smart energy project in May 2015. These agreements are in addition to those announced with Arrow Electronics and Tele2 in 1H15.”

Dividend

Given the significant global opportunities available to NetComm Wireless, the Board remains focused on conserving cash for business reinvestment and has decided it will not pay a dividend in FY15. NetComm Wireless' dividend policy will be reinstated as soon as it is deemed prudent.

FY16 Outlook – pursuing global growth opportunities

NetComm Wireless expects continued growth in FY16 and beyond. The Company's investment in people and infrastructure over the last 12 months ensures it is well positioned to deliver further M2M contracts in line with its strategic plan to pursue attractive M2M and Rural Broadband opportunities in international markets.

NetComm Wireless is in continued discussions and trials related to M2M and Rural Broadband opportunities in multiple markets. If successful in converting these opportunities into contracts, NetComm Wireless will experience very significant further growth in revenue and earnings. The lag between contract wins and implementation will spread the benefits from new contracts across future financial years.

NetComm Wireless has established a number of strategic partnerships with leading providers and telecommunication carriers and is ready for the next exciting growth phase and to deliver value for shareholders.

Notes:

1. EBITDA is as reported and after capitalisation of development costs.

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About NetComm Wireless

NetComm Wireless Limited (ASX: NTC) is a leading developer of innovative broadband products sold globally to major telecommunications carriers, core network providers and system integrators. For 33 years NetComm has developed a portfolio of world first data communication products and is a respected global provider of 3G and 4G wireless devices servicing the major telecommunications carrier, Machine-to-Machine (M2M) and Rural Broadband markets. NetComm's products are designed to meet the growing needs of today's data-intensive home, business and industrial broadband applications and customised to optimise performance in line with global network advancements. Headquartered in Sydney, Australia, NetComm has offices in New Zealand, North America, Japan, Europe and the Middle East. For more information about NetComm visit:
www.netcommwireless.com