

NETCOMM WIRELESS MARKET UPDATE: Appendix 4E Preliminary Final Report for Year Ending 30 June 2012

24 August 2012 (Sydney): The Board of NetComm Wireless Limited (ASX: NTC) has today released its Preliminary Final Report (Appendix 4E) for the full year ended 30 June 2012.

Results from Continuing Operations

The Company's Revenue for the year ended 30 June 2012 was \$59,361,000 compared to \$67,602,000 in the corresponding period last year and slightly higher than earnings guidance provided in June 2012 of \$57,000,000 to \$58,000,000.

The Company's Earnings Before Interest, Tax, Depreciation and Amortisation from continuing operations for the year ended 30 June 2012 was \$4,855,000 compared to \$5,184,000 in the corresponding period last year and slightly higher than earnings guidance of between \$4,600,000 and \$4,800,000.

The Company's Net Profit After Tax from continuing operations for the current year was \$1,570,000 compared to a profit of \$1,058,000 in the corresponding period last year.

The current year results from continuing operations were impacted by:

- Lower revenues from Telstra given that Telstra had focussed substantially on promoting its fixed line business in preference to the fixed wireless routers that the Company supplies. The effect of this lower level of sales to Telstra was partially offset by a substantially lower level of associated marketing costs.
- A lower amount of Income Tax Expense of \$202,000 for the current year compared to \$1,088,000 in the prior year. Key contributors to this lower tax level included an estimated research and development claim of \$316,000 compared to zero last year and an over provision for tax of \$200,000 compared to an under provision for tax of (\$219,000) in the prior year.

Results from Discontinued Operations

Given the other substantial growth opportunities available to the Company in the Machine-to-Machine ("M2M") and Rural Broadband market segments the Company announced on 21 June 2012 its decision to discontinue its operations relating to the NetAssure Services business in Australia. The Loss after Tax for the year from discontinued operations was (\$730,000). Last year's comparative figures were also restated to include all aspects of the NetAssure business, including last year's inventory write down, as discontinued operations.

The loss from discontinued operations had no adverse impact on the Company's cash flows.

Dividend

The Directors have not recommended the payment of a dividend in order to preserve cash which will assist in funding new development activities, most notably the continued development of international sales and the M2M and Rural Broadband market segments.

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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 30 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 customized to optimize performance in line with global network advancements. Headquartered in Sydney, Australia, NetComm has offices in New Zealand, North America and the Middle East. For more information about NetComm visit: www.netcommwireless.com

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