

## NETCOMM WIRELESS EXCEEDS GUIDANCE DELIVERING ON ITS GLOBAL M2M STRATEGY

**26 August 2014 (Sydney):** NetComm Wireless Limited (ASX: NTC) is pleased to announce its results for the 12 months ended 30 June 2014 (FY14). FY14 saw a substantial improvement in NetComm's performance as the company transitioned away from consumer based technologies toward the global Machine to Machine (M2M) market.

**FY14 – growth across all key metrics:**

- Revenue up 50.7% to \$64.6 million (FY13: \$42.9 million)
  - slightly above previous guidance of \$58-63 million
- Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) increased to \$5.2 million (FY13: \$0.8 million)
  - slightly above previous guidance of \$4.6-5.1 million
- Net Profit after tax improved to \$1.0 million (FY13: loss of \$0.5 million)
- Net cash flow from operating activities up 184% to \$5.7 million (FY13: \$2.0 million)
- Strong balance sheet with net debt of \$0.5 million at 30 June 2014 (30 June 2013: \$3.3 million)

Commenting on the result, NetComm's CEO and Managing Director, David Stewart said that M2M sales represented over half of total Group revenue in FY14 compared to 20% in FY13 reflecting the successful execution of the company's growth strategy of providing leading edge products for the global M2M market.

"NetComm is committed to developing and extending its global reach, and over the past 12 months, the company has announced M2M agreements with key strategic partners including Kanematsu Communications, Etisalat Group and Vodafone Qatar.

"The significant improvement in revenues was driven by delivery on key M2M contracts in Australia including smart metering which had a zero base in the 2013 financial year, Ericsson/NBN as the pace of NBN roll-out and customer take-up increases, and Cubic Transportation in relation to the Opal Card in New South Wales. NetComm's ability to meet the demand for these orders clearly demonstrates NetComm's bespoke solutions approach, scalable production capacity, and ability to meet even larger orders that are currently being tendered for globally," added Mr Stewart.

**Dividend**

Given the exciting opportunities available to NetComm, the Board remains focused on conserving cash for business reinvestment and hence will not pay a dividend in FY14. NetComm's dividend policy will be reinstated as soon as it is deemed prudent.

## **Outlook – an exciting period ahead**

The underlying substantial growth in the M2M market is expected to continue to drive NetComm's growth as the company delivers further M2M contracts in line with its strategic plan to grow market share in the rapidly expanding global M2M market.

Commenting on NetComm's outlook, Mr Stewart said:

"While it is too early to provide guidance for FY15, we expect volumes from the Ericsson/NBN contract, and from other sales activities in the pipeline to build substantially in FY15 and beyond, with a time lag between contract and delivery, spreading some of the benefit to later reporting periods.

"NetComm is in discussions and trials in relation to a number of new M2M and smart metering opportunities in a range of geographies including Australia, US and the Middle East. If even one or two of these opportunities translate into orders, they will be transformational to the business and result in a substantial lift in revenue and earnings over time."

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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 32 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, Japan and the Middle East. For more information about NetComm visit: [www.netcommwireless.com](http://www.netcommwireless.com)