

Appendix 4D
Half year report

1. Company details

Name of entity

| |
|-----------------|
| NetComm Limited |
| |

| ABN or equivalent company reference | Half year ended ('current period') | Half year ended ('previous period') |
|-------------------------------------|------------------------------------|-------------------------------------|
| 85 002 490 486 | 31 December 2008 | 31 December 2007 |

2. Results for announcement to the market

\$A'000's

| | | | | | |
|---|--|---------------------|---------|-----------------------------|--------|
| 2.1 | Revenues from ordinary activities | up/down | 320.1 % | to | 40,259 |
| 2.2 | Profit from ordinary activities after tax attributable to members | From | 279 | to | 2,152 |
| 2.3 | Net Profit for the period attributable to members | From | 279 | to | 2,152 |
| 2.4 | Dividends | Amount per security | | Franked amount per security | |
| | | Nil | ¢ | Nil | ¢ |
| 2.5 | ⁺ Record date for determining entitlements to the dividend. | not applicable | | | |
| 2.6 Brief explanation | | | | | |
| <p>We are pleased to announce that NetComm (ASX: NTC) recorded an EBITDA of AUD3.667 Million for the half year ended 31 December 2008 up by more than AUD3.185 Million from the corresponding period in 2007. The results are in-line with the guidance released Q4 2008.</p> <p>NetComm has successfully repositioned itself as the Australian leader in the design and supply of broadband connectivity devices and we are now seeing the rewards from this new business direction. NetComm launched nine products over the reporting period predominantly in the high growth 3G mobile and fixed wireless broadband market, and is gaining recognition as a leader in the development and supply of high speed, high quality 3G routers.</p> <p>The recent acquisition of the profitable specialist 3G developer Call Direct Cellular Solutions 2003 Pty Limited has been completed to strengthen NetComm's industrial and commercial line of business in the area of 3G communications.</p> | | | | | |

| 3. NTA backing | Current period | Previous corresponding Period |
|---|----------------|-------------------------------|
| Net tangible asset backing per ⁺ ordinary security | 9.8 cents | 7.3 cents |

4.1 Control gained over entities

Name of entity (or group of entities)

Call Direct Cellular Solutions 2003 Pty Ltd

Date control gained

3rd November 2008

Contribution of such entities to the reporting entity's profit/ (loss) from ordinary activities during the period (where material).

Profit(loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period.

4.2 Loss of control over entities

Name of entity (or group of entities)

N/a

Date control lost

Contribution of such entities to the reporting entity's profit/ (loss) from ordinary activities during the period (where material).

\$

Consolidated profit/(loss) from ordinary activities of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material).

\$

5 Dividends

Individual dividends per security

| | | Date dividend is payable | Amount per security | Franked amount per security at 30% tax | Amount per security of foreign source dividend |
|--|----------------------------|--------------------------|---------------------|--|--|
| | Final Dividend: NIL | | | | |

6 Dividend Reinvestment Plans

The ⁺dividend or distribution plans shown below are in operation.

No Dividend Reinvestment Plan currently in operation.

The last date(s) for receipt of election notices for the ⁺dividend or distribution plans

| |
|--|
| |
|--|

7 Details of associates and joint venture entities

| Name of associate/joint venture | Reporting entity's percentage holding | | Contribution to Net profit/(loss) (where material) | |
|---------------------------------|---------------------------------------|-------------------------------|--|-------------------------------|
| | Current Period | Previous corresponding period | Current Period | Previous corresponding period |
| N/a | | | | |

| Group's aggregate share of associates' and joint venture entities' profits/(losses) (where material): | Current period \$A'000 | Previous corresponding period - \$A'000 |
|--|---------------------------|---|
| Profit/(loss) from ordinary activities before tax | | |
| Income tax on ordinary activities | | |
| Profit/(loss) from ordinary activities after tax | | |
| Extraordinary items net of tax | | |
| Net profit/(loss) | | |
| Adjustments | | |
| Share of net profit/(loss) of associates and joint venture entities | | |

8 Foreign entities

| |
|--|
| For foreign entities, details of origin of accounting standards used in compiling the report (e.g. International etc.) |
| Not applicable |

Sign here:



(Managing Director)

Date: 11th February 2009

Print name:

David P.J. Stewart

NETCOMM LIMITED

ACN 002 490 486

HALF YEAR FINANCIAL REPORT

**FOR THE HALF YEAR ENDED
31 DECEMBER 2008**

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CORPORATE INFORMATION

Directors

Terry Winters (Non Executive Chairman)
David Stewart (Managing Director)
John Brennan (Non Executive Director)
John Burton (Non Executive Director)

Company Secretary

Peter Beveridge

Registered Office

Unit 1, 2-6 Orion Rd, Lane Cove NSW 2066

Bankers

National Australia Bank

Share Registry

Computershare Investor Services
L3, 60 Carrington St., Sydney NSW 2000

Auditors

Deloitte Touche Tohmatsu
Chartered Accountants
Grosvenor Place
225 George Street, Sydney, NSW 2000

Solicitors

RBHM Lawyers
53 Berry St North Sydney NSW 2060

DLA Phillips Fox

201 Elizabeth St Sydney NSW 2000

DIRECTORS' REPORT

Your directors present their report on the company and its controlled entities for the half-year ended 31 December 2008.

1. DIRECTORS

The following persons were Directors of NetComm Limited during the whole of the half year and up to the date of this report:

| | |
|---------------|--------------------------|
| Terry Winters | (Non Executive Chairman) |
| David Stewart | (Managing Director) |
| John Brennan | (Non Executive Director) |
| John Burton | (Non Executive Director) |

2. PRINCIPAL ACTIVITIES

The Company's principal activities are the design, supply and support of communication and networking devices (including ADSL and 3G Broadband products) and the provision of related services. Established in 1982, NetComm operates via a broad based national and state distribution network, leading Australian retailers, telecommunications carriers and internet service providers. In 2008, NetComm introduced a subscription based product range, NetAssure, a managed network service targeted toward small to medium businesses.

NetComm Limited is a public company listed on the Australian Securities Exchange (ASX Code: NTC), incorporated and operating in Australia.

3. REVIEW AND RESULTS OF OPERATIONS

We are pleased to announce that NetComm (ASX: NTC) recorded an EBITDA of AUD3.667 Million for the half year ended 31 December 2008 up by more than AUD3.185 Million from the corresponding period in 2007. The results are in-line with the guidance released Q4 2008.

NetComm has successfully repositioned itself as the Australian leader in the design and supply of broadband connectivity devices and services and we are now seeing the rewards from this new business direction. NetComm launched nine products over the reporting period predominantly in the high growth 3G mobile and fixed wireless broadband market, and is gaining recognition as a leader in the development and supply of high speed, high quality 3G routers.

The recent acquisition of the profitable specialist 3G developer Call Direct Cellular Solutions 2003 Pty Limited has been completed to strengthen NetComm's industrial and commercial line of business in the area of 3G communications.

4. AUDITOR'S INDEPENDENCE DECLARATION

We have received from our auditors an independence declaration as required under Section 307C of the *Corporations Act 2001*. A copy of the declaration is attached on page 2 and forms part of this report.

This report is made in accordance with a Resolution of the Directors.



Director
Sydney, 11th February 2009

AUDITORS INDEPENDENCE DECLARATION

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 480 121 060

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The Board of Directors
NetComm Limited
Unit 1, 2-6 Orion Road
LANE COVE NSW 2066

Dear Board Members

NetComm 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 NetComm Limited.

As lead audit partner for the review of the financial statements of NetComm 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 sincerely

Deloitte Touche Tohmatsu

Deloitte Touche Tohmatsu

Gaile Pearce

Gaile Pearce
Partner
Chartered Accountants
Sydney, 11th February 2009

CONSOLIDATED INCOME STATEMENT

For the half year ended 31 December 2008

| | Notes | 31 December 2008 \$ | 31 December 2007 \$ |
|------------------------------------|-------|---------------------------|---------------------------|
| Revenue | 3 | 40,259,245 | 9,581,376 |
| Other Income | | 121,900 | 25,719 |
| Expenses from operations | 3 | <u>(37,023,244)</u> | <u>(9,328,149)</u> |
| Profit before tax | | 3,357,902 | 278,946 |
| Income tax expense | | <u>(1,206,005)</u> | - |
| Profit for the period | | <u>2,151,897</u> | <u>278,946</u> |
| Basic earnings per share (cents) | | <u>2.30</u> | <u>0.35</u> |
| Diluted earnings per share (cents) | | <u>2.26</u> | <u>0.34</u> |

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET

As at 31 December 2008

| | Notes | 31 December 2008 \$ | 30 June 2008 \$ |
|--|-------|---------------------------|-----------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | | 5,089,547 | 282,639 |
| Receivables | | 4,694,272 | 2,674,540 |
| Inventories | | 7,179,982 | 9,336,861 |
| Other | | 166,267 | 187,046 |
| Total current assets | | 17,130,068 | 12,481,086 |
| Non-current assets | | | |
| Property, plant and equipment | | 678,782 | 520,284 |
| Deferred tax assets | | 480,739 | 1,633,554 |
| Intangible assets | | 2,173,307 | 605,629 |
| Non-current inventories (NetAssure licenses) | | 3,149,901 | 3,149,901 |
| Total non-current assets | | 6,482,729 | 5,909,368 |
| Total assets | | 23,612,797 | 18,390,454 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | | 8,245,748 | 6,675,465 |
| Interest bearing liabilities | | 1,633,008 | 2,163,242 |
| Other current liabilities | | 931,124 | - |
| Income tax provision | | 88,305 | - |
| Other provisions | | 675,179 | 401,772 |
| Total current liabilities | | 11,573,364 | 9,240,479 |
| Non-current liabilities | | | |
| Interest bearing liabilities | | 42,723 | 52,441 |
| Other non-current liabilities | | 137,716 | 13,971 |
| Total non-current liabilities | | 180,439 | 66,412 |
| Total liabilities | | 11,753,803 | 9,306,838 |
| NET ASSETS | | 11,858,994 | 9,083,616 |
| EQUITY | | | |
| Contributed equity | | 9,026,387 | 7,770,904 |
| Reserves | | 641,744 | 1,273,746 |
| Retained earnings | | 2,190,863 | 38,966 |
| TOTAL EQUITY | | 11,858,994 | 9,083,616 |

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the half year ended 31 December 2008

| | Ordinary shares issued | (Accumulated losses) Retained earnings | Option reserve | Foreign exchange translation reserve | Share rights reserve | Total |
|--|------------------------------|---|-------------------|---|-------------------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance as at 01 July 2008 | 7,770,904 | 38,966 | 77,490 | (40,619) | 1,236,875 | 9,083,616 |
| Profit attributable to members of the parent entity | - | 2,151,897 | - | - | - | 2,151,897 |
| Exchange difference on retranslation of foreign operations | - | - | - | (18,020) | - | (18,020) |
| Total gains and losses for the half year attributable to members of the parent entity | - | 2,151,897 | - | (18,020) | - | 2,133,877 |
| Transactions with equity holders in their capacity as equity holders | | | | | | |
| Contributions of equity, net of transactions costs | 1,255,483 | - | - | - | - | 1,255,483 |
| Exercise the right to pay in cash | - | - | - | - | (662,125) | (662,125) |
| Shares rights | - | - | - | - | - | - |
| Employee share options | - | - | 48,143 | - | - | 48,143 |
| Balance as at 31 December 2008 | 9,026,387 | 2,190,863 | 125,633 | (58,639) | 574,750 | 11,858,994 |

For the half year ended 31 December 2007

| | Ordinary shares issued | (Accumulated losses) Retained earnings | Option reserve | Foreign exchange translation reserve | Share rights reserve | Total |
|--|------------------------------|---|-------------------|---|-------------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance as at 01 July 2007 | 6,580,314 | (2,107,438) | 63,078 | (14,970) | - | 4,520,984 |
| Profit attributable to members of the parent entity | - | 278,946 | - | - | - | 278,946 |
| Exchange difference on retranslation of foreign operations | - | - | - | 5,266 | - | 5,266 |
| Total gains and losses for the half year attributable to members of the parent entity | - | 278,946 | - | 5,266 | - | 284,212 |
| Transactions with equity holders in their capacity as equity holders | | | | | | |
| Contributions of equity, net of transactions costs | 1,185,000 | - | - | - | - | 1,185,000 |
| Shares Rights | - | - | - | - | 1,236,875 | 1,236,875 |
| Employee share options | - | - | 14,411 | - | - | 14,411 |
| Balance as at 31 December 2007 | 7,765,314 | (1,828,492) | 77,489 | (9,704) | 1,236,875 | 7,241,481 |

The above Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED CASH FLOW STATEMENT

For the half year ended 31 December 2008

| | 31 December 2008 \$ | 31 December 2007 \$ |
|---|---------------------------|---------------------------|
| Cash flows from operating activities | | |
| Receipts from customers | 42,063,464 | 9,540,131 |
| Payments to suppliers and employees | (36,277,835) | (9,677,364) |
| Payment for Mako licences | (596,087) | (100,000) |
| Interest and other cost of finance | (77,596) | (53,677) |
| Net cash provided by/(used in) operating activities | 5,111,946 | (290,910) |
| Cash flows from investing activities | | |
| Interest received | 121,900 | 13,946 |
| Payment for property, plant and equipment | (274,393) | (43,907) |
| Proceeds from sale of property, plant and equipment | - | 13,833 |
| Payment for intangible assets | - | (13,408) |
| Payment for acquisition of Call Direct | (189,057) | - |
| Net cash used in investing activities | (341,550) | (29,536) |
| Cash flows from financing activities | | |
| Proceeds from borrowings | 36,512 | 7,201 |
| Net cash provided by financing activities | 36,512 | 7,201 |
| Net increase/(decrease) in cash and cash equivalents | 4,806,908 | (313,245) |
| Cash and cash equivalents at beginning of the period | 282,639 | 1,009,167 |
| Cash and Cash Equivalents at the end of the period | 5,089,547 | 695,922 |

The above Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half year ended 31 December 2008

Note 1 – Significant 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 report does not include notes of the type normally included in an annual financial report and shall 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, unless otherwise noted.

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.

Note 2 – Segment Information

(a) Industry and location

The public company operates predominantly in the computer hardware products business segment. The primary basis of segment reporting for the consolidated entity is presented in the geographical segment.

(b) Business and Geographic Segments

Business segments

The Group operates in one business segment:

- Computer hardware products

Geographic segments

The Group's business segments are located in the following two countries:

- Australia
- New Zealand

(c) Accounting Policies

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles, and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of payables, employee benefits, accrued expenses, provisions and borrowings. Segment assets and liabilities do not include deferred income taxes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2008

Note 2 – Segment Information (continued)

(d) Intersegment Transfers

Segment revenues, expenses and results include transfers between segments. These transfers are eliminated on consolidation.

The consolidated entity is managed on a worldwide basis, but operates in the following two geographical segments:

| Half Year 2008 | Australia | New Zealand | Inter-segment eliminations | Consolidated |
|-----------------------|------------|-------------|-------------------------------|--------------|
| | \$ | \$ | \$ | \$ |
| Total segment revenue | 38,789,770 | 1,881,816 | (290,441) | 40,381,145 |
| Profit before tax | 3,224,938 | 132,964 | - | 3,357,902 |
| Income tax | | | | (1,206,005) |
| Profit after tax | 2,072,123 | 79,774 | - | 2,151,897 |

| Half Year 2007 | Australia | New Zealand | Inter-segment eliminations | Consolidated |
|-----------------------|-----------|-------------|-------------------------------|--------------|
| | \$ | \$ | \$ | \$ |
| Total segment revenue | 8,193,585 | 1,715,673 | (302,163) | 9,607,095 |
| Profit before tax | (9,533) | 288,479 | - | 278,946 |
| Income tax | | | | - |
| Profit after tax | (9,533) | 288,479 | - | 278,946 |

Note 3 – Revenue and Expenses

| | December 2008 | December 2007 |
|-----------------------------------|------------------|------------------|
| | \$ | \$ |
| Revenue | | |
| Sales Revenue | 40,259,245 | 9,581,376 |
| Expenses from operations | | |
| Raw materials and consumable used | 30,587,382 | 5,948,221 |
| Employee benefits expense | 3,196,538 | 1,950,986 |
| Marketing expense | 558,265 | 186,009 |
| Administrative expense | 1,387,064 | 877,938 |
| Occupancy expense | 224,998 | 225,200 |
| Finance Expense | 77,596 | 53,677 |
| Other Expense | 991,401 | 86,118 |
| | 37,023,244 | 9,328,149 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half year ended 31 December 2008

Note 4 – Dividends

| | December 2008 | December 2007 |
|---|------------------|------------------|
| Ordinary shares | \$ | \$ |
| Dividends provided for or paid during the half year | - | - |

Note 5 – Discontinued operations

There were no discontinued operations to report

Note 6 – Events occurring after reporting date

NetComm Limited has had no significant events occurring after the period end up to the date of this report.

Note 7 – Contingent Liabilities

There have been no changes from what was reported in the previous annual report

Note 8 – Acquisition of subsidiary

Acquisition of subsidiary

On 3 November 2008, the Group acquired 100% of the issued share capital of Call Direct Cellular Solutions 2003 Pty Ltd for cash consideration of \$400,000, deferred cash consideration of \$509,000 and issue of shares in NetComm of \$1,300,000. Call Direct Cellular Solutions 2003 Pty Ltd's principal activity is the design and distribution of routers and modems specifically built for users of mobile 3G networks. This transaction has been accounted for using the acquisition method of accounting.

The net assets acquired in the business combination, and the goodwill arising, are as follows:

| | Acquiree's carrying amount before business combination \$'000 | Fair value adjustments \$'000 | Fair value \$'000 |
|---|---|-------------------------------------|----------------------|
| Net assets acquired: | | | |
| Cash and cash equivalents | 211 | - | 211 |
| Trade and other receivables | 282 | - | 282 |
| Property, plant and equipment | 66 | - | 66 |
| Other assets | 288 | - | 288 |
| Trade and other payables | (122) | - | (122) |
| Other liabilities | (180) | - | (180) |
| Goodwill | 5 | (5) | - |
| | 549 | - | 543 |
| Goodwill arising on acquisition | | | 573 |
| Intangibles arising on acquisition | | | 1,093 |
| Total consideration, satisfied by cash & shares | | | 2,209 |

Goodwill arose in the business combination because the cost of the combination included a control premium paid to acquire Call Direct Cellular Solutions 2003 Pty Limited. The consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Call Direct Cellular Solutions 2003 Pty Limited. These expected benefits are reflected in the goodwill arising on acquisition. In addition consideration was paid for separately identifiable items including

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2008

Note 8 – Acquisition of subsidiary (continued)

non- recurring engineering works (NREs) and Customer Lists, Relationships and Specifications which have been attributed a fair value.

Included in the revenue and net profit for the period since acquisition is \$458,592 and \$11,622 respectively, attributable to the additional business generated by Call Direct Cellular Solutions 2003 Pty Limited.

Had the business combination been effected at 1 July 2008, the revenue of the Group would have increased by \$1,634,347, and the net profit \$36,476. The directors of the Group consider these ‘pro-forma’ numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point in future periods. In future periods the directors believe that cost savings are highly likely to be achieved in respect of this acquisition. It is expected that research projects currently in progress will reach the development stage. Costs are expected to result in both an increase in revenue and a reduction in expenses.

DIRECTORS' DECLARATION

In the accordance with a resolution of the directors of NetComm Limited, pursuant to s303(5) of the Corporations Act 2001 the directors declare that:

In the opinion of the directors:


- (a) the financial statements and notes of the consolidated entity:
 - (i) give a true and fair view of the financial position as at 31 December 2008 and the performance for the half year on that date of the consolidated entity; and
 - (ii) comply with Accounting Standards and the Corporations Act 2001; and
- (b) There are reasonable grounds to believe that NetComm Limited will be able to pay its debts as and when they become due and payable.

On behalf of the Board



.....
David Stewart
Managing Director

Sydney, 11th February 2009



.....
Peter Beveridge
Company Secretary

Sydney, 11th February 2009

Deloitte.

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

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Independent Auditor's Review Report to the Members of NetComm Limited

We have reviewed the accompanying half-year financial report of NetComm Limited, 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 entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 3 to 11.

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 NetComm Limited's financial position as at 31 December 2008 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 NetComm 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.

Member of
Deloitte Touche Tohmatsu

Deloitte.

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 NetComm 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 2008 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

DELOITTE TOUCHE TOHMATSU

Gaile Pearce

Gaile Pearce
Partner
Chartered Accountants
Sydney, 11th February 2009