

NetComm Wireless Limited
Appendix 4D
For The Half Year Ended 31 December 2013

1. Company details

Name of entity

NetComm Wireless Limited

ABN or equivalent company reference	Half year ended ('current period')	Half year ended ('previous period')
85 002 490 486	31 December 2013	31 December 2012

2. Results for announcement to the market

\$A'000's

2.1	Revenues from ordinary activities	up/down	38.4 %	to	30,469
2.2	EBITDA	From	(198)	to	1,970
2.3	Profit/(Loss) from ordinary activities after tax attributable to members				162
2.4	Net (Loss)/Profit for the period attributable to members				162
2.5	Dividends	Amount per security		Franked amount per security	
		N/a		N/a	
2.6	+Record date for determining entitlements to the dividend.	N/a			
2.7 Brief explanation					
<p>The financial result for the six months ended 31 December 2013 (1H14) saw a substantial improvement in NetComm Wireless' performance as the company continues its transition away from consumer based technologies toward the global Machine to Machine (M2M) market.</p> <p>Revenue for 1H14 was up 38.4% to \$30.5 million (1H13: \$22.0 million). The increase in revenue was largely attributable to orders generated from the SP Ausnet smart metering contract. NetComm Wireless has fulfilled approximately 65% of the number of units required under this contract and expected to deliver the balance in 2H14.</p> <p>The M2M business accounted for a growing share of the company's business, with 48% of total 1H14 revenues generated from the M2M market (1H13: 15%).</p> <p>Earnings before interest, tax, depreciation and amortisation (EBITDA) for 1H14 was \$2.0 million, an improvement of \$2.2 million compared to the corresponding period last year (1H13: EBITDA loss of \$0.2m). EBITDA is expected to improve further in 2H14 as further benefits from the company's shift toward the M2M market flow through.</p> <p>NetComm Wireless reaffirms its EBITDA guidance of between \$4.6 million and \$5.1 million for the full year ending 30 June 2014.</p>					

3. NTA backing

	Current period	Previous corresponding Period
Net tangible asset backing per ⁺ ordinary security	10.55 cents	8.8 cents

4. Control gain over entities/Loss of control over entities**4.1 Control gained over entities**

Name of entity (or group of entities)

NetComm Wireless (UK) Limited

Date control gained

25th October 2013

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

Not 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.

N/a

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).

N/a

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).

N/a

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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
	Interim Dividend:	N/a	N/a	N/a	N/a

6 Dividend Reinvestment Plans

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

N/a

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				

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7 Details of associates and joint venture entities (continued)

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	N/a	N/a
Income tax on ordinary activities	N/a	N/a
Profit/(loss) from ordinary activities after tax	N/a	N/a
Extraordinary items net of tax		
Net profit/(loss)	N/a	N/a
Adjustments		
Share of net profit/(loss) of associates and joint venture entities	N/a	N/a

8 Foreign entities

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

9 Dispute or qualification if audited or not yet audited

Not applicable.

Sign here:


 (Managing Director)

Date: 21 February 2014

Print name:

David P.J. Stewart

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NETCOMM WIRELESS LIMITED

ACN 002 490 486

HALF YEAR FINANCIAL REPORT

**FOR THE HALF YEAR ENDED
31 DECEMBER 2013**

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CORPORATE INFORMATION

Directors

Justin Milne	(Non-Executive Director & Chairman)
Ken Boundy	(Non-Executive Director)
Stuart Black AM	(Non-Executive Director)
David P J Stewart	(CEO & Managing Director)
Kenneth J P Sheridan	(CFO & Executive Director)

Company Secretary

Mr Kenneth J P Sheridan

Registered Office

Level 2, 18-20 Orion Rd, Lane Cove NSW 2066

Bankers

National Australia Bank

Share Registry

Link Market Services Limited
Level 12, 680 George St
Sydney, NSW 2000

Auditor

Grant Thornton
Level 17, 383 Kent Street
Sydney NSW 2000

Solicitors

Maddocks
Angel Place
123 Pitt St, Sydney NSW 2000

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DIRECTORS' REPORT

Your Directors present their report on the company and its controlled entities for the half-year ended 31 December 2013.

1. DIRECTORS

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

Justin Milne	(Non-Executive Director & Chairman)
Ken Boundy	(Non-Executive Director)
Stuart Black AM	(Non-Executive Director)
David P J Stewart	(CEO & Managing Director)
Kenneth J P Sheridan	(CFO & Executive Director)

2. PRINCIPAL ACTIVITIES

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 31 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 carriers, 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 optimise performance in line with global network advancements.

3. REVIEW AND RESULTS OF OPERATIONS

The financial result for the six months ended 31 December 2013 (1H14) saw a substantial improvement in NetComm Wireless' performance as the company continues its transition away from consumer based technologies toward the global Machine to Machine (M2M) market.

Revenue over 1H14 was up 38.4% to \$30.5 million (1H13: \$22.0 million). The increase in revenue was largely attributable to orders generated from the SP Ausnet smart metering contract. NetComm Wireless has fulfilled approximately 65% of the number of units required under this contract and expects to deliver the balance in 2H14.

The M2M business accounted for a growing share of the company's business, with 48% of total 1H14 revenues generated from the M2M market (1H13: 15%).

Earnings before interest, tax, depreciation and amortisation (EBITDA) for 1H14 was \$2.0 million, an improvement of \$2.2 million compared to the corresponding period last year (1H13: EBITDA loss of \$0.2m). EBITDA is expected to improve further in 2H14 as further benefits from the company's shift toward the M2M market flow through.

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.



Managing Director
Sydney, 21 February 2014

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**Auditor's Independence Declaration
To The Directors of NetComm Wireless Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of NetComm Wireless Limited for the half-year ended 31 December 2013, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

S M Coulton
Partner - Audit & Assurance

Sydney, 21 February 2014

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Consolidated Statement of Profit or Loss & Other Comprehensive Income
For the half year ended 31 December 2013

	Consolidated	
	Half-year ended 31 December 2013	Half-year ended 31 December 2012
Note	\$	\$
Continuing Operations		
Revenue from the sale of goods	30,468,696	22,010,307
Other income	28,946	27,083
Change in inventories of finished goods and work in progress	1,500,110	1,207,920
Raw materials consumed	(23,444,702)	(16,418,826)
Employee benefits	(3,197,636)	(3,799,523)
Administrative expenses	3a (1,852,671)	(1,520,802)
Other expenses	3b (1,532,592)	(1,703,746)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	1,970,151	(197,587)
Depreciation and amortisation expense	(1,796,136)	(1,304,006)
Finance costs	(348,744)	(299,494)
Loss before income tax	(174,729)	(1,801,087)
Income tax benefit	336,422	958,680
Profit/(loss) after income tax	161,693	(842,407)
Attributable to equity holders of the parent	161,693	(842,407)
Other comprehensive income		
Exchange differences arising on translation of foreign operations	201,192	25,877
Net change in the fair value of cash flow hedges recognised in equity	885,149	-
Income tax relating to components of other comprehensive income	(265,545)	-
Other comprehensive income/ (loss) for the period (net of tax)	820,796	25,877
Total comprehensive income/(loss) for the period	982,489	(816,530)
Attributable to equity holders of the parent	982,489	(816,530)
	982,489	(816,530)
Earnings per share:		
From continuing operations		
Basic profit/(loss) per share (cents per share)	0.13	(0.80)
Diluted profit/(loss) per share (cents per share)	0.13	(0.80)

The above Consolidated Statement of Profit or Loss & Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2013

		Consolidated	
	Note	31 December 2013 \$	30 June 2013 \$
ASSETS			
Current assets			
Cash and cash equivalents		3,427,770	3,882,067
Trade and other receivables		6,105,796	4,700,381
Inventories		11,357,603	9,857,493
Other assets		1,611,629	1,252,681
Total current assets		22,502,798	19,692,622
Non-current assets			
Property, plant and equipment		1,563,446	1,877,280
Deferred tax assets		4,458,143	4,441,435
Goodwill		895,999	895,999
Other intangible assets		6,731,829	6,216,712
Other assets		302,143	302,143
Total non-current assets		13,951,560	13,733,569
TOTAL ASSETS		36,454,358	33,426,191
LIABILITIES			
Current liabilities			
Trade and other payables		12,629,363	5,900,269
Borrowings		1,171,099	7,066,858
Provisions		549,646	634,460
Other current liabilities		539,355	203,299
Total current liabilities		14,889,463	13,804,886
Non-current liabilities			
Borrowings		50,919	79,462
Provisions		313,076	313,076
Total non-current liabilities		363,995	392,538
TOTAL LIABILITIES		15,253,458	14,197,424
NET ASSETS		21,200,900	19,228,767
EQUITY			
Issued capital	5	15,321,522	14,331,878
Reserves		621,552	(199,244)
Retained earnings		5,257,826	5,096,133
TOTAL EQUITY		21,200,900	19,228,767

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2013

	Note	Ordinary Shares	Retained Earnings	Foreign Currency Translation Reserve	Foreign Exchange Hedging Reserve	Options and Share Rights Reserve	Total
		\$	\$	\$	\$	\$	\$
Balance at 1 July 2013		14,331,878	5,096,133	94,035	(689,087)	395,808	19,228,767
Profit for the period		-	161,693	-	-	-	161,693
Exchange difference on translation of foreign operations		-	-	201,192	-	-	201,192
Foreign Exchange hedging (Net of tax)		-	-	-	619,604	-	619,604
Total comprehensive income for the period		-	161,693	201,192	619,604	-	982,489
Issue of ordinary shares (Net of transaction costs and tax)	5	931,324	-	-	-	-	931,324
Payment of dividends		-	-	-	-	-	-
Exercise of options	5	58,320	-	-	-	-	58,320
Balance at 31 December 2013		15,321,522	5,257,826	295,227	(69,483)	395,808	21,200,900
Balance at 1 July 2012		9,877,073	5,637,757	(83,723)	-	395,808	15,826,915
Loss for the period		-	(842,407)	-	-	-	(842,407)
Exchange difference on translation of foreign operations		-	-	25,877	-	-	25,877
Foreign exchange hedging (Net of tax)		-	-	-	-	-	-
Total comprehensive income for the period		-	(842,407)	25,877	-	-	(816,530)
Issue of ordinary shares (Net of transaction costs and tax)		-	-	-	-	-	-
Payment of dividends		-	-	-	-	-	-
Exercise of options		9,614	-	-	-	-	9,614
Balance at 31 December 2012		9,886,687	4,795,350	(57,846)	-	395,808	15,019,999

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the half year ended 31 December 2013

	Consolidated	
	Half-year ended 31 December 2013 \$	Half-year ended 31 December 2012 \$
Cash flows from operating activities:		
Receipts from customers	31,943,366	28,760,304
Payments to suppliers and employees	(24,944,270)	(26,274,935)
Finance costs	(348,744)	(299,494)
Income taxes paid	(170,468)	(427,727)
Net cash provided by operating activities	6,479,884	1,758,148
Cash flows from investing activities:		
Interest received	28,946	27,084
Acquisition of property, plant and equipment	(200,118)	(165,407)
Acquisition of intangible assets	(1,828,352)	(1,850,917)
Net cash (used in) investing activities	(1,999,524)	(1,989,240)
Cash flows from financing activities:		
Proceeds from issue of shares & options (net of transaction costs & tax)	989,644	9,614
Proceeds from borrowings	16,150,785	25,428,635
Repayment of borrowings	(22,075,086)	(25,448,007)
Net cash (used in) financing activities	(4,934,657)	(9,758)
Net (decrease) in cash and cash equivalents held	(454,297)	(240,850)
Cash and cash equivalents at beginning of financial period	3,882,067	7,049,729
Cash and cash equivalents at end of financial period	3,427,770	6,808,879

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2013

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 financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. 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 2013 annual financial report for the financial year ended 30 June 2013, except for the impact of the Standards and Interpretations described below. The accounting policies are consistent with the Australian Accounting Standards and with International Financial Reporting Standards.

AASB 10 Consolidated Financial Statements

AASB 10 supersedes AASB 127 Consolidated and Separate Financial Statements and Interpretation 112 Consolidation – Special Purpose Entities. AASB 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of the Group's investees are considered to be subsidiaries and therefore change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged.

Management has reviewed its control assessments in accordance with AASB 10 and has concluded that there is no effect on the classification (as subsidiaries or otherwise) of any of the Group's investees held during the period or comparative periods covered by these financial statements.

AASB 11 Joint Arrangements

AASB 11 supersedes AASB 131 Interests in Joint Ventures and Interpretation 113 Jointly Controlled Entities – Non-Monetary-Contributions by Venturers. It aligns more closely the accounting by the investors with their rights and obligations relating to the joint arrangement. In addition, AASB 131's option of using proportionate consolidation for joint ventures has been eliminated. AASB 11 now requires the use of the equity accounting method, which is currently used for investments in associates.

There is no impact on transactions and balances recognised in the financial statements because the entity has not entered into any joint arrangements.

AASB 13 Fair Value Measurement

AASB 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. AASB 13 applies prospectively for annual periods beginning on or after 1 January 2013. AASB 134 requires particular AASB 13 disclosures in the interim financial statements which are provided in Note 9.

AASB 119 Employee Benefits (September 2013)

AASB 119 makes a number of changes to the accounting for employee benefits, the most significant relating to defined benefit plans. AASB 119:

- eliminates the 'corridor method' and requires the recognition of remeasurements (including actuarial gains and losses) arising in the reporting period in other comprehensive income
- changes the measurement and presentation of certain components of the defined benefit cost. The net amount in profit or loss is affected by the removal of the expected return on plan assets and interest cost components and their replacement by a net interest cost based on the net defined benefit asset or liability
- enhances disclosures, including more information about the characteristics of defined benefit plans and related risks.

The Group does not have any defined benefit plans. Therefore, these amendments will have no significant impact on the Group.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

Note 2 – Segment Information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Information reported to the Group's Board of Directors for the purposes of resource allocation and assessment of performance is more specifically focused on the product grouping and category of customer. The Group's reportable segments under AASB 8 are therefore as follows:

- Base Business
- M2M Business

The Base business segment supplies communication devices, including but not limited to fixed wireless and ADSL internet gateways, designed and manufactured for use primarily by consumer and small medium enterprises (SME). The M2M business segment division specialises in the development of advanced industrial-grade and commercial 3G /4G wireless broadband products and solutions for business continuity (disaster recovery), primary mobile broadband and remote M2M connectivity. NetComm Wireless Limited's M2M products, solutions and services are designed to support applications in areas such as transport, smart metering, security, surveillance, banking, health and mining.

Restatement of prior year comparative information

The Group undertook an internal reorganisation of its business with effective from 1 July 2012. The comparative segment information has been reclassified to achieve consistency in disclosure in current year amounts and other disclosures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2013

Note 2 – Segment Information (continued)

The following is an analysis of the Group's revenue and results by reportable operating segment for the periods under review:

	Revenue		Segment Profit	
	Half-year ended 31 December 2013 \$	Half-year ended 31 December 2012 \$	Half-year ended 31 December 2013 \$	Half-year ended 31 December 2012 \$
Continuing Operations				
Revenue generated from external customers				
Base Business	15,802,756	18,602,968	938,979	50,407
M2M Business	14,665,939	3,407,339	1,002,226	(275,077)
Intersegment Revenue				
Base Business	564,104	523,780	-	-
M2M Business	300,060	81,144	-	-
Intersegment Eliminations	(864,164)	(604,924)	-	-
Segment Result	30,468,696	22,010,307	1,941,205	(224,670)
Other income			28,946	27,083
			1,970,151	(197,587)
Depreciation and amortisation expense			(1,796,136)	(1,304,006)
Finance costs			(348,744)	(299,494)
Group Profit/(loss) before tax			(174,729)	(1,801,087)
Income tax (expense)/benefit			336,422	958,680
Consolidated segment revenue and profit for the period	30,468,696	22,010,307	161,693	(842,407)

The revenue reported above represents revenue generated from external customers. Intersegment revenues represent transfers between segments which are eliminated on consolidation.

No Segment assets and liabilities are disclosed because there is no measure of segment assets or liabilities regularly reported to the chief decision maker.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2013

Note 3 – Expenses

Included in expenses are the following specific items.

(a) Administrative Expenses

	Consolidated	
	Half year ended 31 December 2013	Half year ended 31 December 2012
	\$	\$
Distribution and Selling Costs	405,491	399,798
Insurance Expenses	182,328	172,616
Legal and Professional Fees	286,927	336,751
Travel Expenses	582,947	368,818
Contractor Costs	394,978	242,819
Total Administrative Expenses	1,852,671	1,520,802

(b) Other Expenses

Advertising and Marketing	141,196	326,951
Property Expenses	521,639	445,659
Other Expense	869,757	931,136
Total Other Expenses	1,532,592	1,703,746

Note 4 – Dividends

	Half Year Ended 31 December 2013		Half Year Ended 31 December 2012	
	Cents per Share	Total \$'000	Cents per Share	Total \$'000
Fully Paid Ordinary Shares				
Interim Dividend	-	-	-	-

No dividends was paid, recommended for payment nor declared during the reporting period.

Note 5 – Issuances, Repurchase and Repayments of Equity Securities

On 15 July 2013, the Group issued a total of 4,000,000 ordinary shares at the issue price of \$0.255 per share. Issue costs of \$88,676 associated with the issue of shares have been directly paid from the proceeds of the issues. These costs have been deducted from the issued capital in the statement of financial position, rather than charged as an expense of the Company, as they are considered to form part of the net equity raised.

Additionally, 360,000 ordinary shares were issued as a result of the exercise of vested options arising from employee shares options plan granted to employees. Options were exercised at price of \$0.162 per share.

Note 6 – Events Occurring After Reporting Date

NetComm Wireless 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

There were no acquisitions of controlled entities during the period. The company incorporated 1 subsidiary during the period. (1 subsidiary was incorporated in the prior period.)

On 25 October, 2013, NetComm Wireless (UK) Limited was incorporated in the United Kingdom. NetComm Wireless Inc. was incorporated in the U.S.A on 12 June, 2013.

Note 9 - Fair Value Hierarchy

AASB 13 requires disclosure of fair value measurements by level of the fair value hierarchy. Netcomm Wireless Limited's cash flow hedges are classed as level 2 as the inputs for fair value measurement are based on observable market data (observable inputs).

The Group's financial assets and financial liabilities measured and recognised at fair value at 31 December 2013 (31 December 2012: nil) on a recurring basis are as follows:

Forward contracts \$5,605,805

Measurement of fair value of financial instruments

a) Foreign currency forward contracts

The Group's foreign currency forward contracts are not traded in active markets. The fair values of most of these contracts are estimated using a valuation technique that maximises the use of observable market inputs, e.g. market exchange and interest rates and are included in Level 2 of the fair value hierarchy.

b) Highly probable forecast sales

Most of the Group's transactions are carried out in AUD. Exposures to foreign currency exchange rates arise from the Group's overseas sales and purchases, which are primarily denominated in US dollars (USD).

To mitigate the Group's exposure to foreign currency risks, non-AUD cash flows are monitored and hedging relationships are formed between a portion of the bank borrowings and a portion of the sales that equate to 'firm' commitments in accordance with the Group's risk management policies.

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 31 December 2013.

The valuation process is managed by an external treasury team in KPMG which performs the valuations of non-property assets required for financial reporting purposes. The valuation team reports to the Financial Planning & Analysis Manager. Discussions on valuation processes and outcomes are held between the valuation team, Financial Planning & Analysis Manager and the Financial Accountant every month.

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DIRECTORS' DECLARATION

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



David Stewart
Managing Director

Sydney, 21 February 2014

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Independent Auditor's Review Report To the Members of NetComm Wireless Limited

We have reviewed the accompanying half-year financial report of NetComm Wireless Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of NetComm Wireless Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a 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 the consolidated entity's financial position as at 31 December 2013 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 Wireless Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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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.


Independence

In conducting our review, we 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 Wireless 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 2013 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



S M Coulton
Partner - Audit & Assurance

Sydney, 21 February 2014

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