

Appendix 4E

Preliminary final report

1. Company details

| NETCOMM LIMITED | | |
|-------------------------------------|---|--|
| ABN or equivalent company reference | Financial year ended ('current period') | Financial year ended ('previous period') |
| 85 002 490 486 | 30 June 2009 | 30 June 2008 |

2. Results for announcement to the market

\$A'000's

| | | | | |
|---|----|----------------------------|----|------------------------------------|
| 2.1 Revenue | Up | 305% | to | 78,473 |
| 2.2 Profit (loss) after tax | Up | 175% | to | 5,891 |
| 2.3 Net profit (loss) for the period attributable to members | Up | 175% | to | 5,891 |
| 2.4 Dividends | | Amount per security | | Franked amount per security |
| Final dividend proposed | | Nil ¢ | | Nil ¢ |
| Interim dividend | | Nil ¢ | | Nil ¢ |
| 2.5 Record date for determining entitlements to the final dividend | | N/A | | |
| 2.6 Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable the figures to be understood. | | | | |
| <p>NetComm's extremely strong performance reflects the success of the company's strategy to position itself as a world-leading supplier of 3G mobile broadband technologies. This focus on 3G product development is part of a concerted international marketing push.</p> <p>Domestically, NetComm's sales growth has been facilitated through strong supplier relationships with a number of reputable customers such as Telstra. Over the past 12 months in particular, recognition of NetComm's position as a global leader in emerging higher speed 3G network technology has been validated through increased sales revenue to domestic customers.</p> <p>In addition to this product development focus, NetComm has also made some strategic acquisitions of specialist businesses that add to the group's overall capabilities. In October 2008 NetComm acquired Call Direct, a specialist developer of industrial 3G wireless data and voice solutions for diverse industrial and commercial applications. This was followed in May 2009 with the acquisition of C10 Communications.</p> | | | | |

3. Consolidated Income Statement

| | Note | 30 June 2009 \$A'000 | 30 June 2008 \$A'000 |
|--|------|-------------------------|-------------------------|
| Revenues from operations | 3.1 | 78,473 | 19,368 |
| Expenses from operations | 3.2 | (72,274) | (18,449) |
| Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) | | 6,199 | 919 |
| Depreciation & amortisation | 3.3 | (772) | (296) |
| Finance costs | 3.3 | (131) | (110) |
| Profit (loss) before income tax | | 5,296 | 513 |
| Income tax benefit | | 595 | 1,633 |
| Profit (loss) after income tax | | 5,891 | 2,146 |
| Net (profit) loss attributable to minority interest | | - | - |
| Net profit (loss) for the financial year attributable to members of NetComm Limited | | 5,891 | 2,146 |

| Earnings/(loss) per share | | |
|----------------------------------|------|------|
| Basic EPS – cents | 6.01 | 2.39 |
| Diluted EPS - Cents | 5.95 | 2.38 |

Notes to the Consolidated Income Statement

3.1 Revenue from operations

| | 30 June 2009 \$A'000 | 30 June 2008 \$A'000 |
|-------------------|-------------------------|-------------------------|
| Revenue | | |
| Sales Revenue | 78,415 | 19,248 |
| Interest Received | 37 | 31 |
| Other Revenue | 21 | 89 |
| | 78,473 | 19,368 |

3.2 Expenses from operations

| | 30 June 2009 \$A'000 | 30 June 2008 \$A'000 |
|--------------------------------|-------------------------|-------------------------|
| Cost of sales | 59,377 | 11,303 |
| Distribution and selling costs | 967 | 791 |
| Employee benefits expense | 6,762 | 3,513 |
| Contractor costs | 455 | 313 |
| Advertising & marketing | 1,524 | 489 |
| Property expenses | 494 | 421 |
| Legal & professional fees | 698 | 333 |
| Travel expenses | 430 | 222 |
| Insurance | 155 | 145 |
| Bad debt provision | 155 | 1 |
| Other | 1,257 | 918 |
| Total | 72,274 | 18,449 |

3.3 Loss/(Profit) before income tax includes the following specific expenses

| | 30 June 2009 \$A'000 | 30 June 2008 \$A'000 |
|---|-------------------------|-------------------------|
| Finance Costs paid or payable on : | | |
| Finance leases | 9 | 5 |
| Bank borrowings | 122 | 105 |
| Depreciation and amortisation of Property, Plant and equipment (including Leasehold Improvements) | 197 | 169 |
| Amortisation of Intangible assets | 575 | 127 |

4. Condensed consolidated balance sheet

| | 30 June 2009 \$A'000 | 30 June 2008 \$A'000 |
|--|-------------------------|-------------------------|
| Current assets | | |
| Cash and cash equivalents | 4,762 | 283 |
| Receivables | 4,181 | 2,674 |
| Inventories | 7,696 | 9,337 |
| Other (prepayments) | 123 | 187 |
| Total current assets | 16,762 | 12,481 |
| Non-current assets | | |
| Property, plant and equipment | 951 | 520 |
| Deferred tax assets | 2,493 | 1,633 |
| Intangible assets | 4,284 | 606 |
| Other non-current inventories | 3,212 | 3,150 |
| Total non-current assets | 10,940 | 5,909 |
| Total assets | 27,702 | 18,390 |
| Current liabilities | | |
| Trade and other payables | 8,388 | 6,758 |
| Borrowings | 1,510 | 2,163 |
| Provisions | 493 | 205 |
| Other liabilities | 588 | 114 |
| Total current liabilities | 10,979 | 9,240 |
| Non-current liabilities | | |
| Borrowings | 262 | 52 |
| Provision | 450 | 14 |
| Other non-current liabilities | 135 | - |
| Total non-current liabilities | 847 | 66 |
| Total liabilities | 11,826 | 9,306 |
| Net assets | 15,876 | 9,084 |
| Equity | | |
| Contributed equity | 9,656 | 7,771 |
| Reserves | 290 | 1,274 |
| Retained earnings/(accumulated losses) | 5,930 | 39 |
| Total equity | 15,876 | 9,084 |

5. Condensed Statement of Changes in Equity

| | 30 June 2009 \$A'000 | 30 June 2008 \$A'000 |
|--|-------------------------|-------------------------|
| Total Equity at beginning of the Financial Year | 9,084 | 4,521 |
| Exchange difference on retranslation of foreign operations | (31) | (24) |
| Profit (Loss) for year | 5,891 | 2,146 |
| Total recognised income and expense for year | 5,860 | 2,122 |
| Transactions with equity holders | | |
| Contributions of equity net of transaction costs | 648 | 2,427 |
| Employee/director share options | 284 | 14 |
| Minority interest | - | - |
| Total transactions with equity holders | 932 | 2,441 |
| Total equity held at end of Financial Year | 15,876 | 9,084 |

6. Condensed consolidated cash flow statement

| | 30 June 2009 \$A'000 | 30 June 2008 \$A'000 |
|---|-------------------------|-------------------------|
| Cash flows related to operating activities | | |
| Receipts from customers | 78,165 | 21,667 |
| Payments to suppliers and employees | (68,995) | (22,616) |
| Interest paid | (130) | (110) |
| Income taxes paid | (106) | - |
| Net operating cash flows | 8,934 | (1,059) |
| Cash flows related to investing activities | | |
| Interest received | 37 | 31 |
| Payment for purchases of property, plant and equipment | (489) | (88) |
| Proceeds from sale of property, plant and equipment | - | 13 |
| Payment for purchases of intangible assets | (970) | (551) |
| Acquisition of subsidiaries, controlled | (2,589) | |
| Net investing cash flows | (4,011) | (595) |
| Cash flows related to financing activities | | |
| Proceeds from issues of securities | - | 6 |
| Proceeds from borrowings | - | 895 |
| Repayment of borrowings | (444) | (9) |
| Net financing cash flows | (444) | 892 |
| Net increase/(decrease) in cash and cash equivalents | 4,479 | (762) |
| Effect of exchange rates on cash holdings in foreign currencies | - | 36 |
| Cash and cash equivalents at beginning of financial year | 283 | 1,009 |
| Cash and cash equivalents at end of financial year. | 4,762 | 283 |

6.1 Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows:

| |
|-----|
| N/A |
|-----|

6.2 Reconciliation of cash

| Reconciliation of cash at the end of the period (as shown in the condensed consolidated cash flow statement) to the related items in the accounts is as follows. | 30 June 2009 \$A'000 | 30 June 2008 \$A'000 |
|---|-------------------------|-------------------------|
| Cash on hand and at bank | 4,762 | 283 |
| Total cash at end of financial year | 4,762 | 283 |

6.3 Reconciliation of profit after income tax to net cash inflow/(outflow) from operating activities

| | 30 June 2009 \$A'000 | 30 June 2008 \$A'000 |
|---|-------------------------|-------------------------|
| Profit/(Loss) after related income tax | 5,891 | 2,146 |
| Depreciation & amortisation | 772 | 296 |
| Loss on sale of property, plant & equipment | 2 | 3 |
| Share options expense | 284 | 14 |
| Interest received | (37) | (31) |
| Bad debt provision | 154 | - |
| Foreign exchange (gains)/losses | 198 | - |
| Income tax benefit | 595 | - |
| Changes in assets & liabilities net of effect of purchase of controlled entities | | |
| Receivables | (1,507) | 432 |
| Inventories | 1,579 | (58) |
| Other assets | 64 | (66) |
| Deferred taxes | (701) | (1,634) |
| Deferred income | 315 | (1,063) |
| Trade and other payables | 600 | (1,131) |
| Provisions | 725 | 32 |

| | | |
|---|-------|---------|
| Net cash inflow/(outflow) from operating activities | 8,934 | (1,059) |
|---|-------|---------|

7. Dividends

7.1 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: | Current year | Nil | Nil | nil | nil |
| | Previous year | Nil | Nil | nil | Nil |
| Interim dividend: | Current year | Nil | Nil | Nil | Nil |
| | Previous year | Nil | Nil | Nil | Nil |

7.2 Total dividend per security (interim *plus* final)

| | 30 June 2009 \$A'000 | 30 June 2008 \$A'000 |
|---------------------|-------------------------|-------------------------|
| Ordinary securities | Nil | Nil |

7.3 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

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

Any other disclosures in relation to dividends (distributions).

8. Consolidated retained profits/(accumulated losses)

| | 30 June 2009 \$A'000 | 30 June 2008 \$A'000 |
|--|-------------------------|-------------------------|
| Retained profits/(accumulated losses) at the beginning of the financial period | 39 | (2,107) |
| Net profit/(loss) attributable to members | 5,891 | 2,146 |
| Dividends paid or payable | - | - |
| Retained earnings/(accumulated losses) at end of financial period | 5,930 | 39 |

9. NTA backing

| | 30 June 2009 | 30 June 2008 |
|--|--------------|--------------|
| Net tangible asset backing per ordinary security | 11.2 cents | 9.3 cents |

10. Control gained over entities

| | |
|---|---|
| Name of entity (or group of entities) | Call Direct Cellular Solutions 2003 Pty Limited |
| Date Control gained | 1 st November, 2008 |
| Contribution of such entities to the reporting entity's profit/ (loss) from ordinary activities during the period (where material). | 465,173 |
| 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. | NIL |

| | |
|---|--------------------------------|
| Name of entity (or group of entities) | C10 Communications Pty Limited |
| Date Control gained | 1 st May, 2009 |
| Contribution of such entities to the reporting entity's profit/ (loss) from ordinary activities during the period (where material). | 234,558 |

| | |
|---|-----|
| 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. | NIL |
|---|-----|

10.1 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). | \$ | | |

11. 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): | 30 June 2009 \$A'000 | 30 June 2008 \$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 | | |

12. Commentary on results for the period

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|--|
| <p>NetComm's extremely strong performance reflects the success of the company's strategy to position itself as a world-leading supplier of 3G mobile broadband technologies. This focus on 3G product development is part of a concerted international marketing push.</p> <p>In addition to this product development focus, NetComm has also made some strategic acquisitions of specialist businesses that add to the group's overall capabilities</p> |
|--|

This report is based on accounts to which one of the following applies.

(Tick one)

- | | | | |
|-------------------------------------|---|--------------------------|---|
| <input type="checkbox"/> | The +accounts have been audited. | <input type="checkbox"/> | The +accounts have been subject to review. |
| | | <input type="checkbox"/> | The +accounts are in the process of being reviewed. |
| <input checked="" type="checkbox"/> | The accounts are in the process of being audited. | <input type="checkbox"/> | The +accounts have <i>not</i> yet been audited or reviewed. |

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, details are described below

| |
|-----|
| N/A |
|-----|

If the accounts have been audited or subject to review and are subject to dispute or qualification, details are described below

| |
|-----|
| N/A |
|-----|



Sign here:
Managing Director

Date: 20 August 2009

Print name: David P J Stewart