

NETCOMM MARKET UPDATE: INVENTORY WRITE DOWN IN SERVICES BUSINESS

18 August 2011 (Sydney): As part of an ongoing performance review of the Company's business units, the Board of NetComm Limited (ASX:NTC) has made the decision to write down the carrying value of inventories relating to the Company's services business in Australia.

The services business has remained a loss making unit within the Company's activities in both the current and prior years. The write down represents 76% of this inventory.

The write down will reduce Profit after Tax for the year ended 30 June 2011 by \$2.23 million.

As the inventory was purchased in prior years, this write down has no adverse impact on the Company's cash flows.

Given other substantial growth opportunities available to the Company, some of which will be the subject of a separate announcement today, the Directors believe it is prudent to refocus the services business on specific prospects that will deliver longer term value and profits.

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About NetComm Limited

NetComm Limited (ASX: NTC) is a **leading developer** of innovative broadband products for telecommunications carriers and ISPs worldwide. Specialising in fixed and wireless broadband technologies, NetComm designs and produces products that are customized for world-leading carrier networks to successfully deliver the performance requirements of home, business and industrial applications. For 29 years NetComm has developed a solid portfolio of data communication products, including world first broadband HSPA+ and LTE routers and is today a **respected global provider** of HSPA+, LTE, machine-to-machine (M2M) wireless and fibre access devices. Headquartered in Sydney, Australia, NetComm has offices in New Zealand, North America and the Middle East. For more information about NetComm visit: www.netcomm.com.au