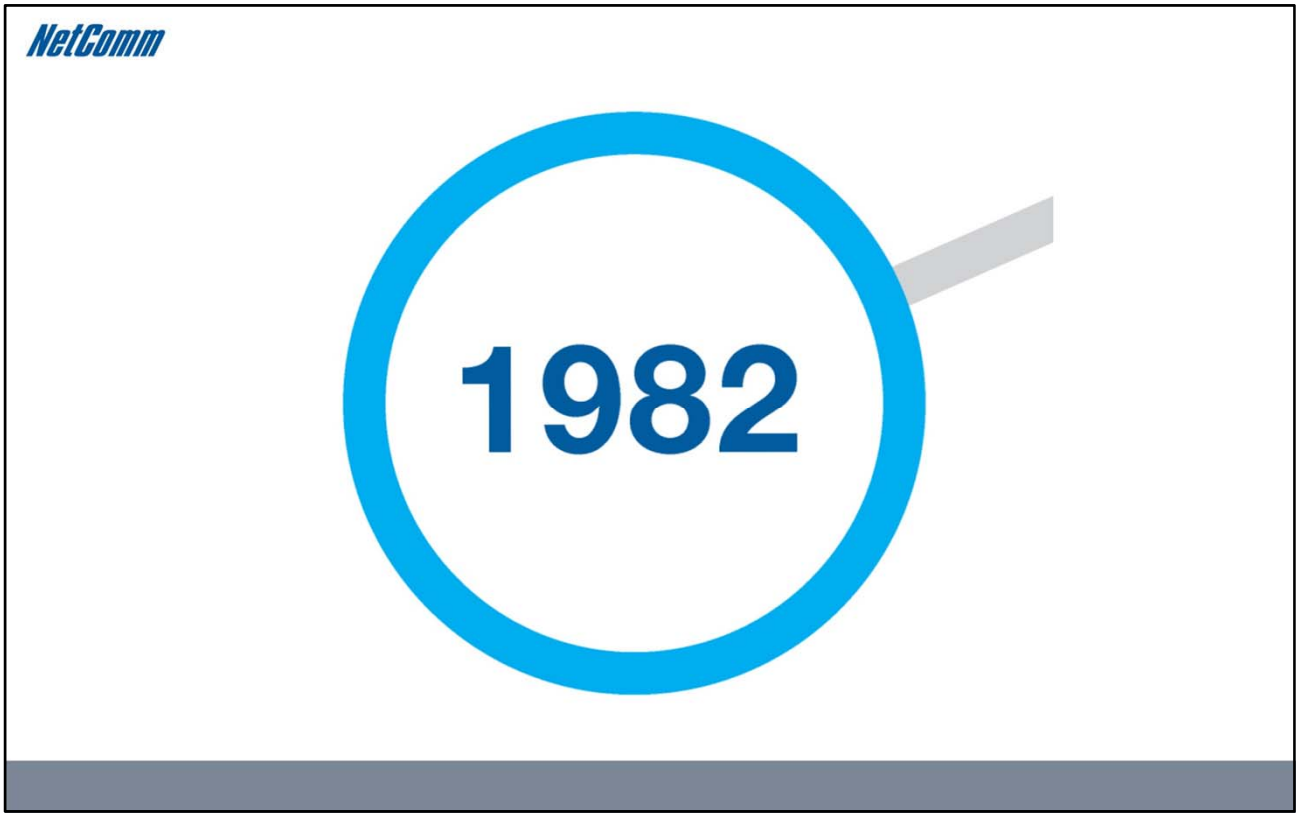
NetComm Limited

2nd Australian Microcap Investment Conference

18 October 2011

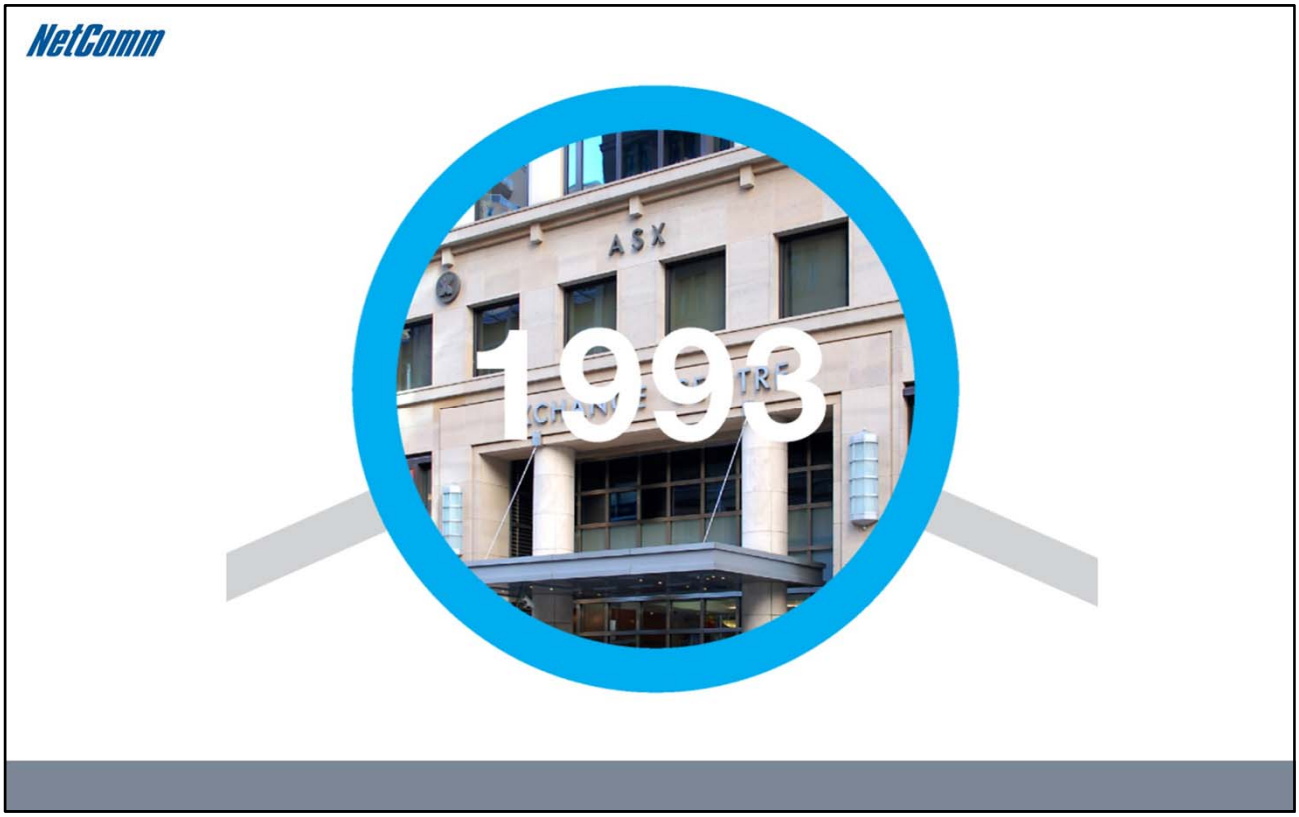
Ladies and gentlemen

Before I talk about the future, let me give you a little bit of history so we can set the scene on what NetComm is capable of doing.



NetComm was formed in 1982 to specifically design innovative data communications devices.
In other words, we made the products that allowed people, computers and things to communicate over the telephone line.

During the 80s and early 90s our customers were primarily government departments, defence and medium to large businesses.



In 1993, we listed on the Australian Stock Exchange. Shortly after that, the market for communications devices exploded as the Internet became available to the masses and consumers started to use this technology to access information online.

I would think that anyone over 25 in this room today has probably used a NetComm product some time in their life.

In 99 we saw the introduction of an ADSL broadband network and NetComm delivered the first ADSL devices to the market with NEC and Telstra.

In that first year we sold the grand total of 500 ADSL devices. Not long after this, we were selling close to 240 thousand units per year. Today there are 4.6 million ADSL connections in Australia.

NetComm continued to develop high speed ADSL modem routers for varied markets, including consumer, business and industrial applications.

In 2006 we were invited to a meeting with Telstra who were rolling out their brand new Next G wireless network – a world first.

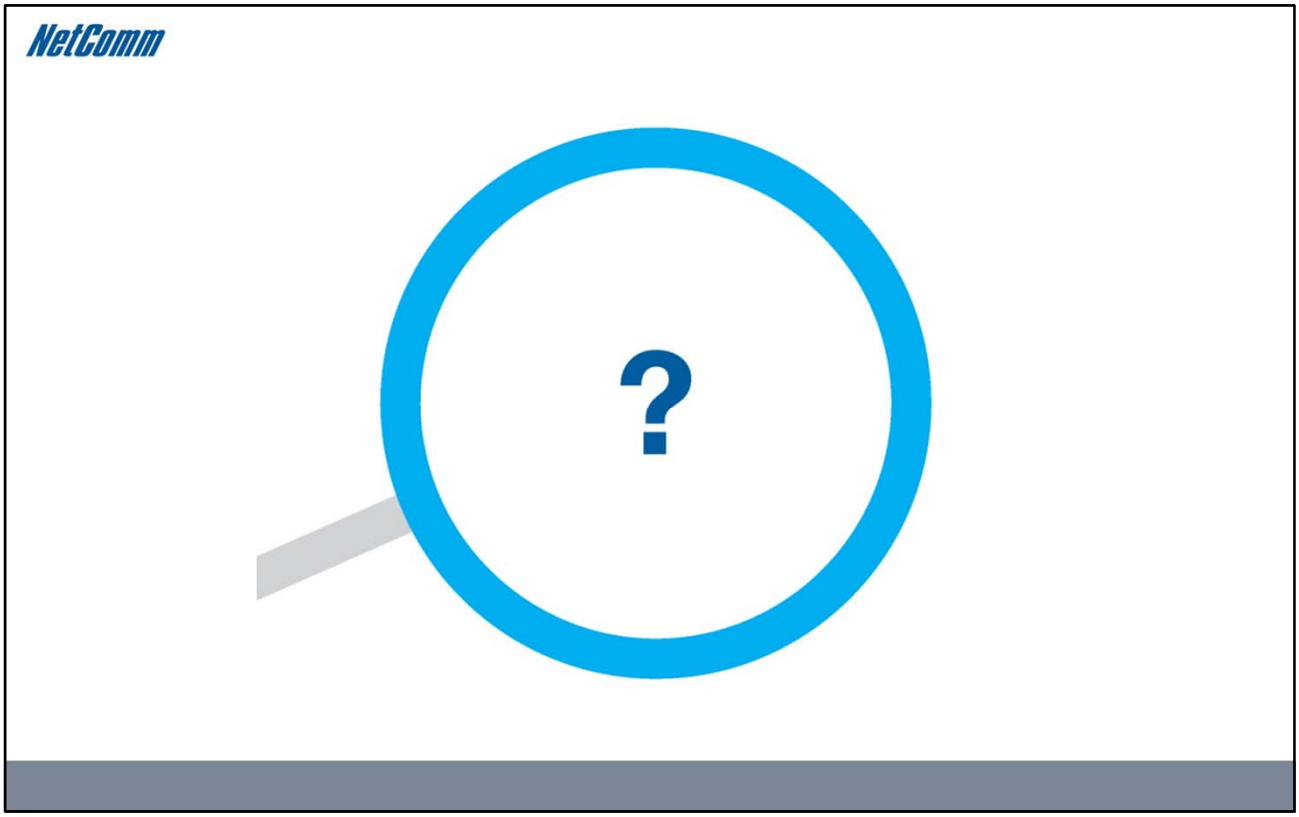
Telstra had a need – they required a device designed to work on their new network that would create a new class of customers - People who previously could not connect to the fixed broadband network.

Now this covered an amazing range of people, including those who lived too far from the telephone exchange, rural properties, holiday homes, building sites, mining camps, boats and outdoor venues.

We were asked if we could design this and we did – and in 2007 we began shipping the world first 3G wireless routers for the Next G network.
Since this launch, we've had a number of other firsts:

In 2009 we launched the world's first 21Mbps modem gateway with Etisalat in the UAE;

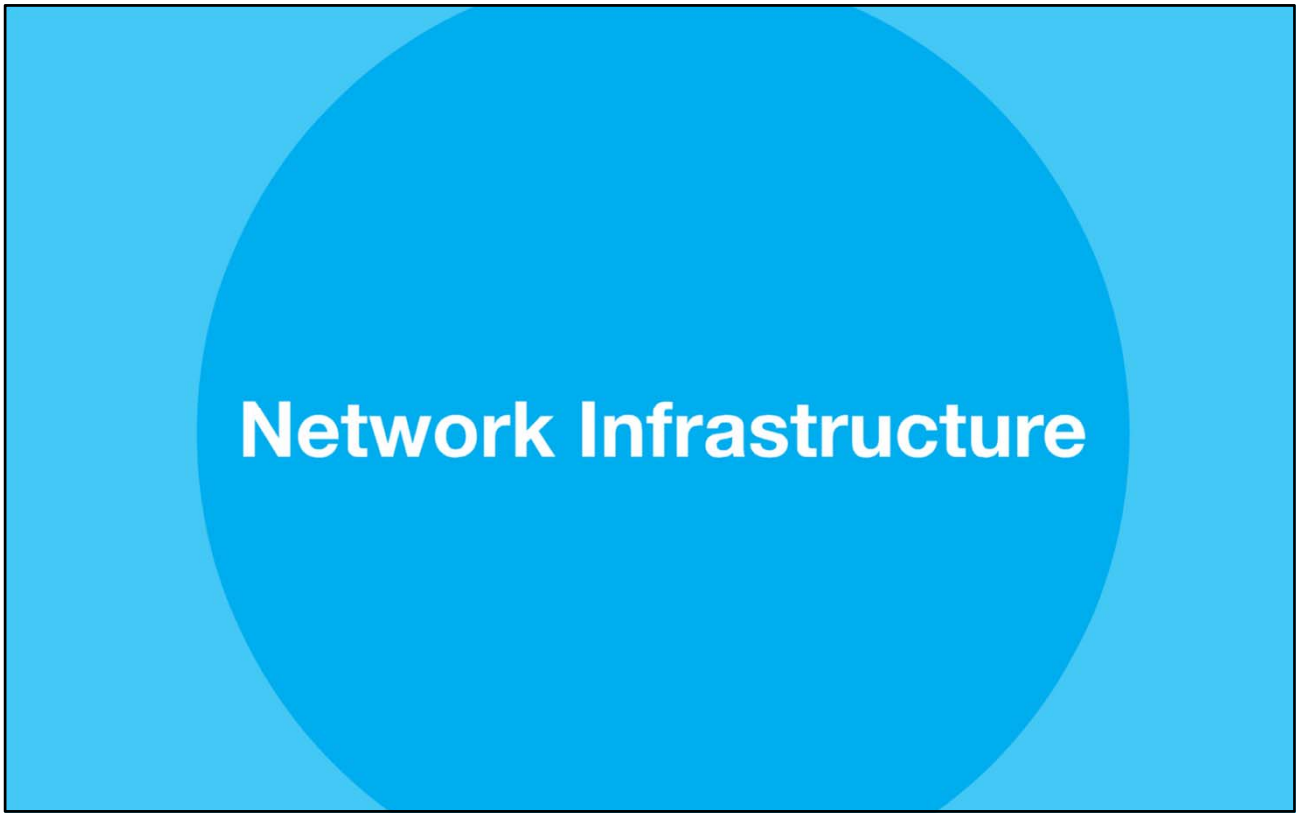
And then earlier this year, the world's first 42Mbps gateway to Mobily in Saudi Arabia



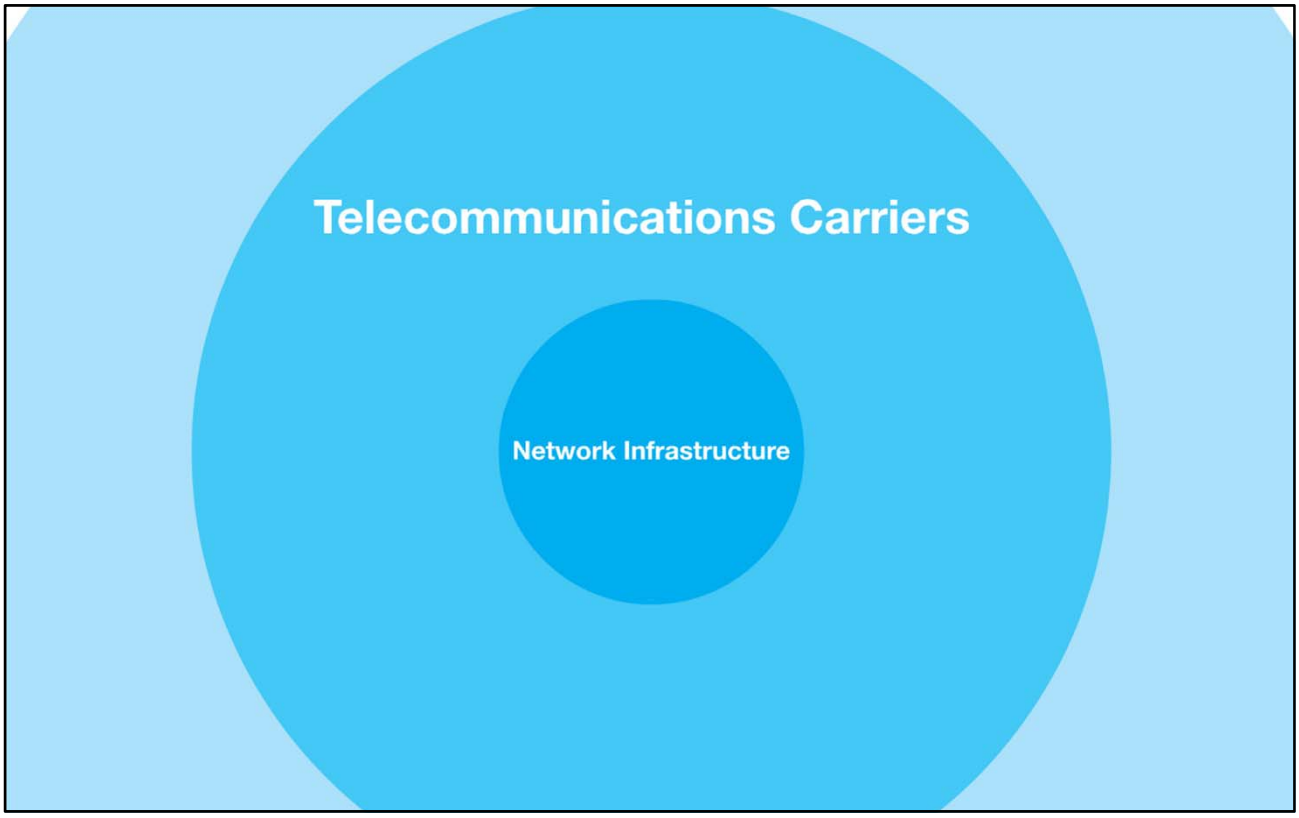
So why did I just give you this brief history lesson. I wanted to demonstrate that NetComm is not tied to aging technologies nor focused on the past. But rather, we watch our industry and move quickly and nimbly to implement solutions as new communication technologies evolve.

This brings us to today – our focus is wireless for both the network operators and the home modem gateway market.

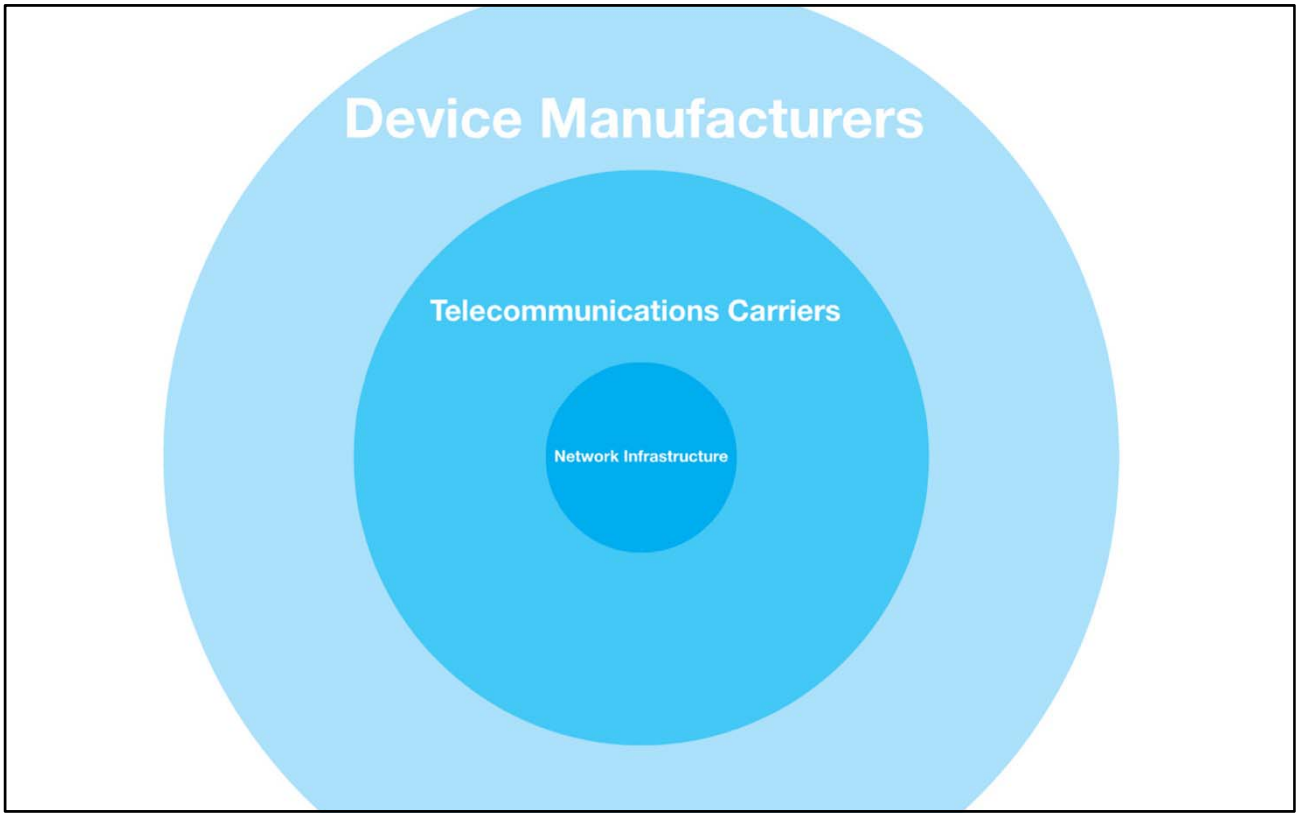
One of the questions I'm sometimes asked is where does NetComm fit in the telecommunications ecosystem?



There are, of course, the very large network infrastructure manufacturers like Ericsson and Alcatel-Lucent for example. They provide all the equipment for the telecommunications carriers to build out their network, including the base stations, core operating equipment, the billing systems, etc.



Then there are the operators such as Telstra, Optus and Vodafone as an example here in Australia.



Then there are the things which connect to the mobile wireless network such as smart phones, notebooks, iPads and e-Readers.

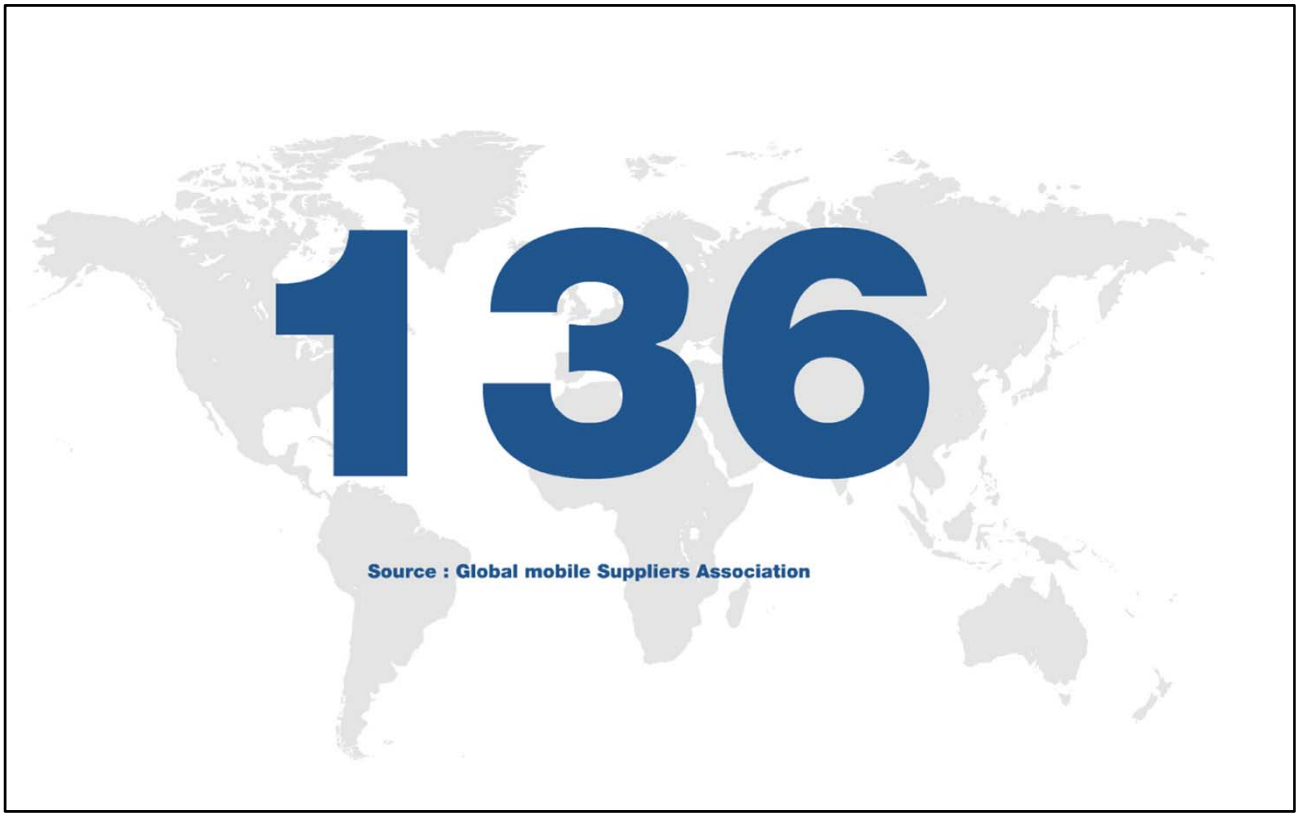
We mostly focus on the wireless devices that connect consumers, businesses and industrial applications to the network, but generally from a fixed location.

Our Strategy

Our strategy very simply is to develop Wireless products that deliver the best performance and features for the relevant market segment. No matter whether our customer is a telecommunications carrier, a Utility company or other major commercial and industrial clients, we will always provide the appropriate product for their business and their customers.

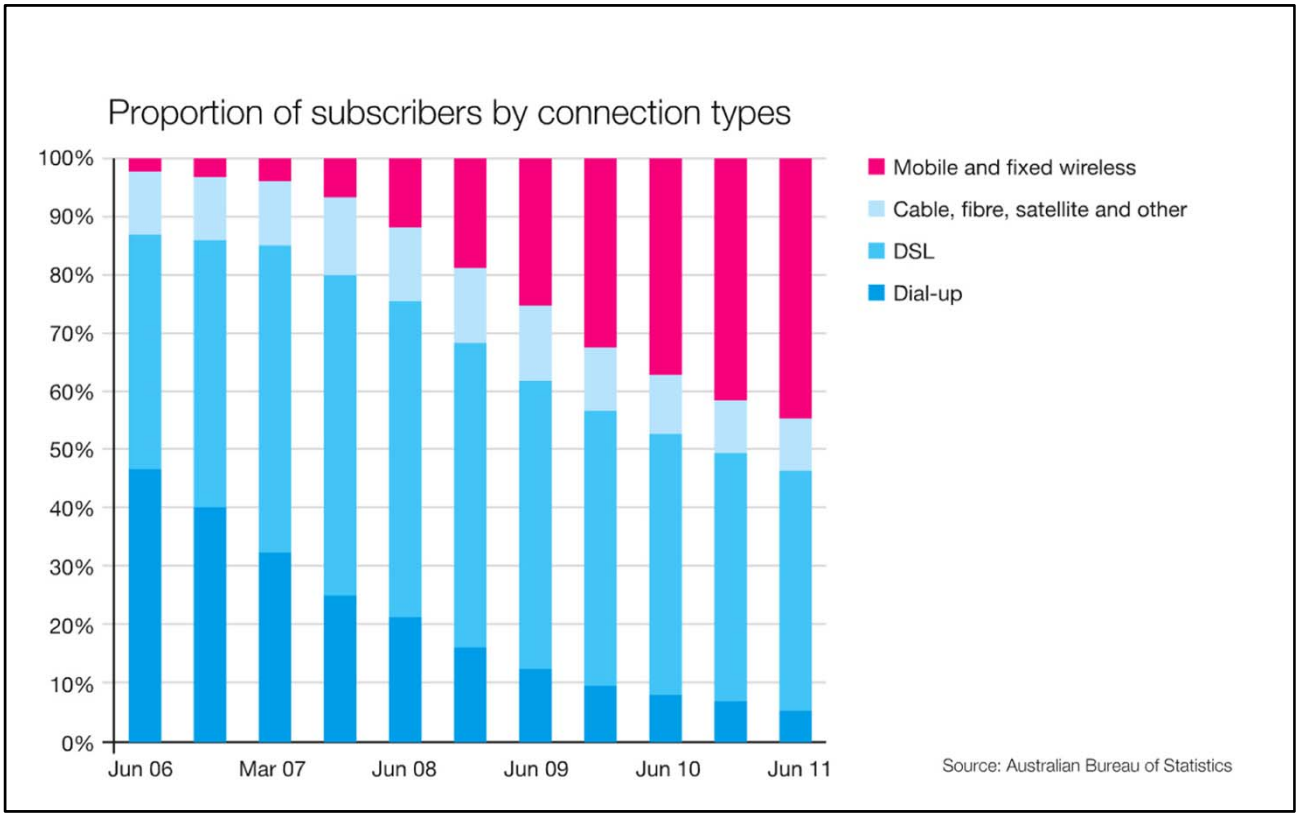
The Wireless market is a key area of projected growth as local and international carriers escalate investments in wireless broadband networks in a drive to meet the rising global demand.

We market our wireless products as being ‘network agnostic’ for the simple reason we develop products that are tailored to work on any 3G wireless network across the globe.



The GSA states 136 3G wireless networks have been commercially launched in 69 countries.

There are an additional 193 operators committing to deploy 3G wireless broadband networks in 83 countries.

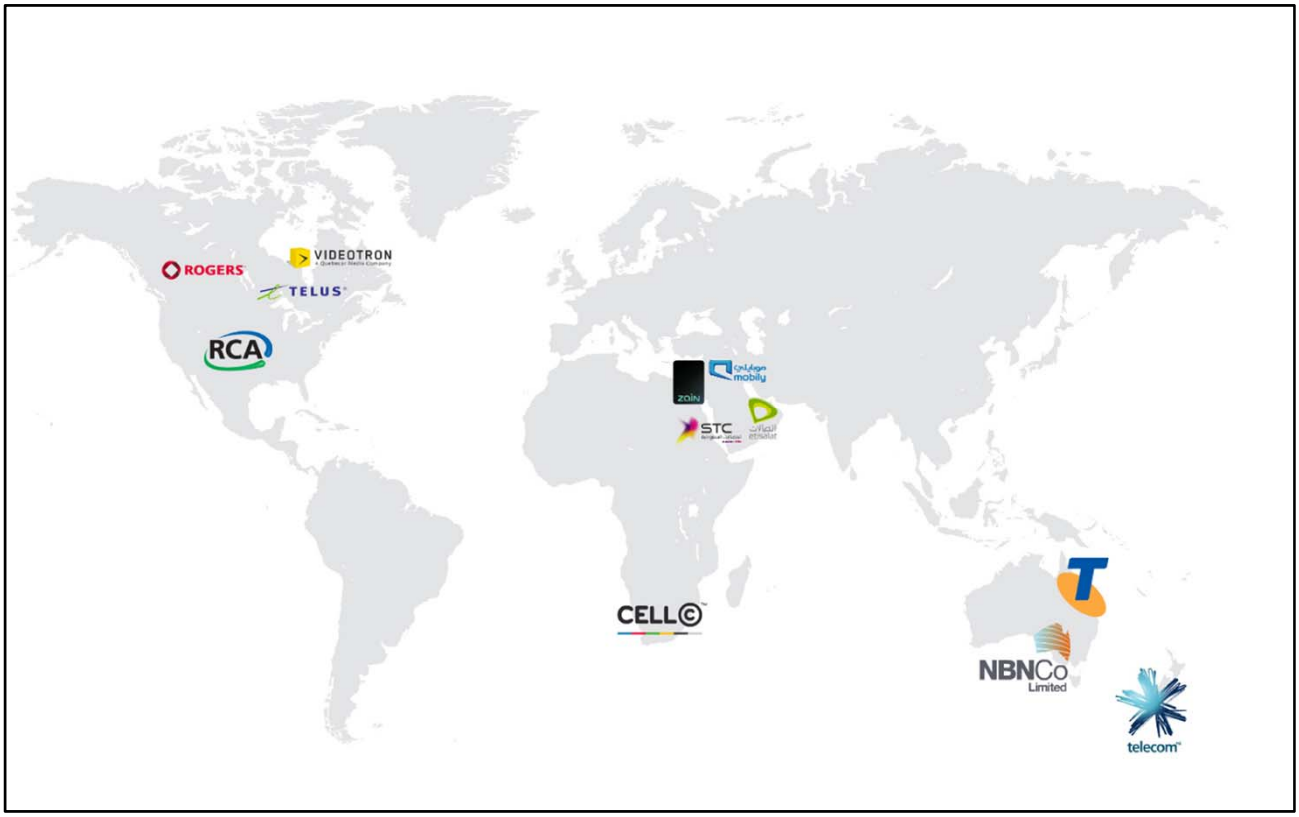


The Australian Bureau of Statistics have released a report showing wireless internet connections now exceed ADSL connections in Australia.

Mobile wireless – excluding mobile handset connections – was the fastest growing internet access technology in actual numbers, increasing from 4.2 million in December last year to 4.8 million in June this year.

We have strategically focused on diversifying our customer base geographically, to lessen dependence on the Australian market.

In addition to Telstra, we have been successful in winning supply contracts with the following overseas carriers:



Etisalat, UAE;
Rogers Communications, Canada;
Telus, Canada;
Telecom, New Zealand;
Cell C, South Africa;
Mobily, Saudi Arabia
Videotron, Canada;
Viva, Bahrain.

What next?

SO WHAT'S NEXT

Today we're at the edge of a massive expansion with the evolution of wireless technology called 4G – also referred to as LTE which provides extremely high speed access on a very efficient wireless broadband network.

The mounting need for improved performance, speed and versatility is placing increased pressure on telecommunications carriers to upgrade their networks and offer enhanced service features to their customers.

I would like to explain what 4G means for you.

4G to you and I mean faster Internet... From browsing the web, to sending emails, to downloading files or movies.

From a carrier's perspective, they want to migrate to 4G as quickly as they can because it's an extremely efficient technology which provides the global carriers with a lower operational cost per customer, thereby giving them both savings and improved profitability.

The increased power, flexibility and capacity of LTE networks will also introduce exciting new opportunities.

We will therefore leverage the opportunities presented by these industry developments.

One of our recent major announcements was the winning of the contract to provide Ericsson with the equipment for the fixed wireless component of the NBN.
The wireless technology we are using for the NBN is 4G.

This project is 4% of the total number of premises, equating to approximately 500,000 homes and businesses across Australia.

The securing of this contract is expected to have a substantial impact on long term revenue for the Company.
The deployment of our equipment begins in July 2012, and is to be concluded in the majority by December 2014.
So the revenue benefit will be over financial years 2013, 2014 and 2015.

Now the question that you could ask, what will happen if there's a change in government.
Fortunately, the opposition has publicly declared that they support the wireless model of the NBN and have even indicated that they would expand it if they were in power.

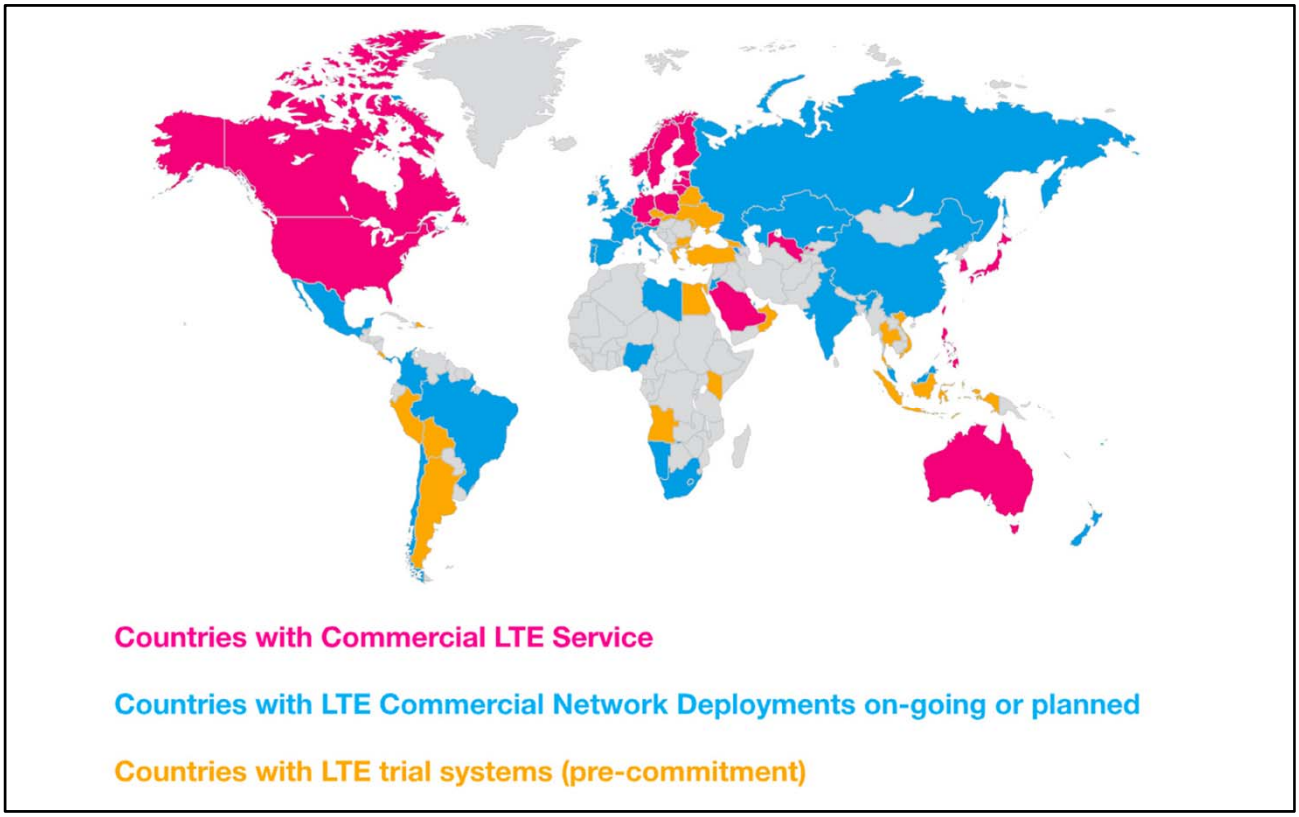
So we are confident that this business will remain secure.

What's also been interesting for us is that after our announcement of the NBN contract, we've received several enquiries from overseas companies which want to roll out fixed wireless networks in areas like rural US and Germany.

NetComm is poised to capitalise on these deployments.

Now you may ask how quickly will 4G be universally accepted and deployed.

I'm not sure if you've been following Telstra, but they launched their 4G network last month.



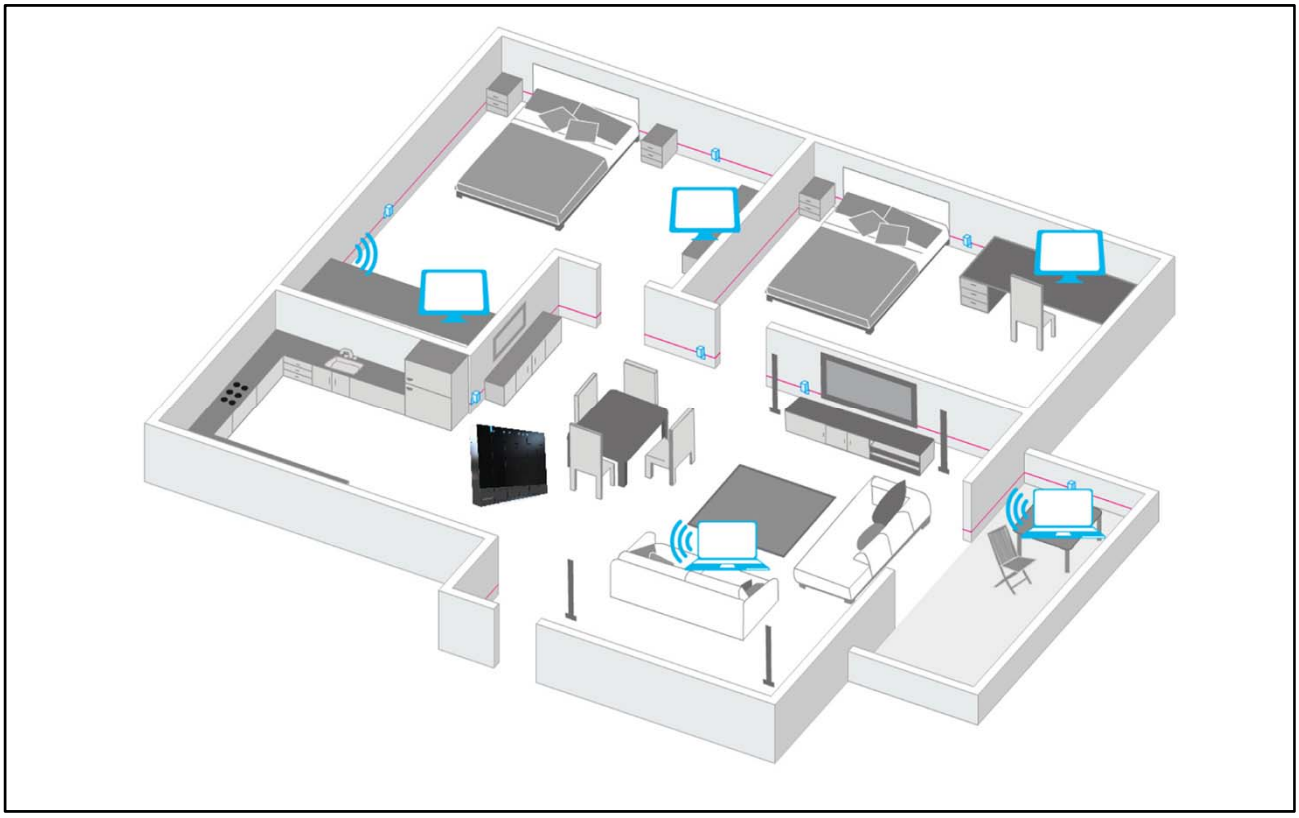
This map represents other current 4G deployments and commitments from telecommunication carriers across the globe.

There are already 35 commercial 4G networks launched in 21 countries; and 248 carriers in 87 countries are committed to investing in 4G wireless networks.

We will continue to develop wireless broadband products that help these carriers provide their consumer, business and industrial customers with products that allow them to access these 4G networks.

I would like to show you an example of one of our products

This device is our 4G gateway. It allows you to connect to the 4G network wherever there is coverage.

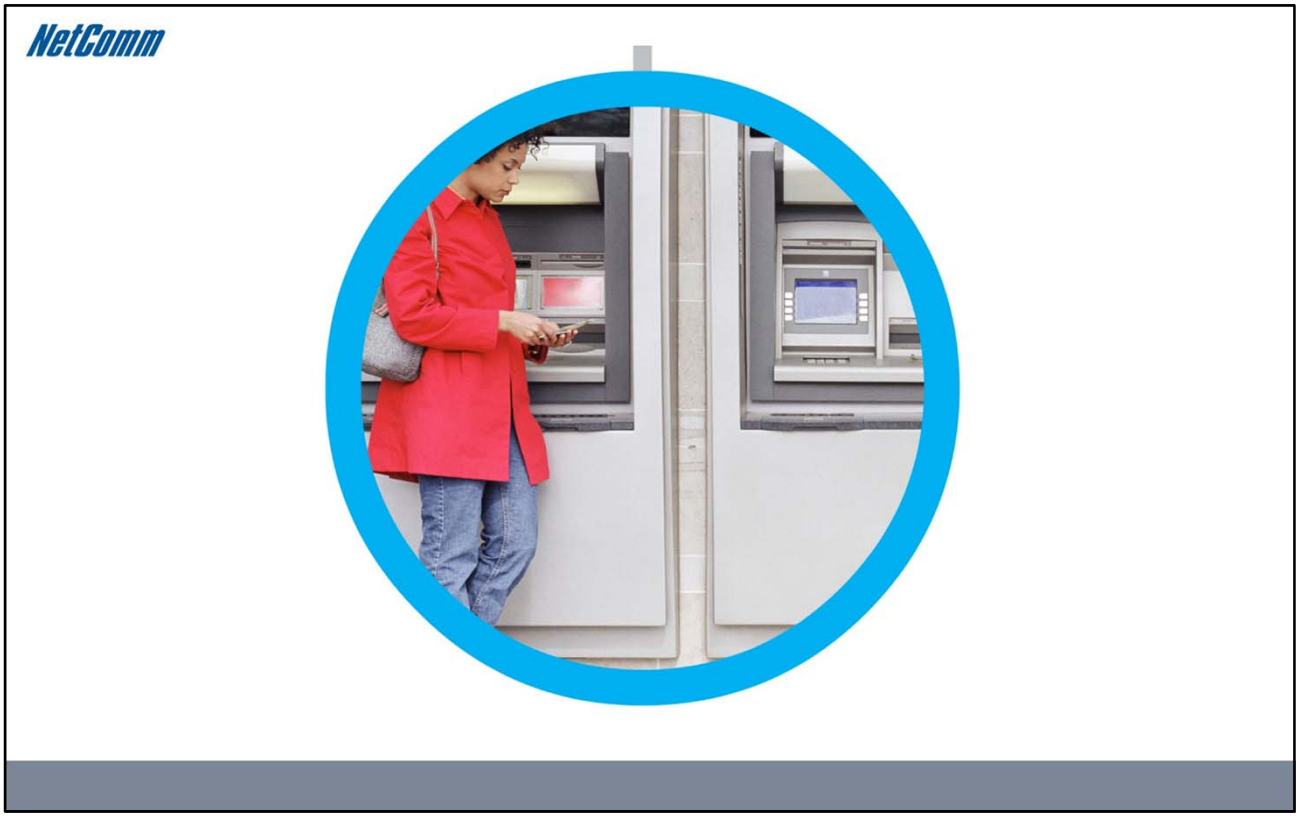


It creates a WiFi network allowing you to connect everything in your home like notebooks, desktop, TVs, gaming consoles and iPads.

It also allows a hard drive and printer to be shared anywhere on your own WiFi network.

Here is one of our portable wireless gateways. It connects all my gadgets on the go. My notebook, my iPad, my Kindle and my iPod.
These sorts of devices are what carriers need to help connect their customers to their wireless networks.

The increased power of 4G networks will create new opportunities for industrial Machine-to-Machine broadband connectivity.



As the name suggests, Machine-to-Machine also known as M2M enables wireless communication between machines and other machines, and between machines and people – for example an ATM.

The world is on the verge of epic change. Conventionally unconnected devices are fast becoming connected as we enter an exciting new era of technological innovation.

Today, most people are connected to the Internet via their notebooks, smart phones, tablets, iPads and portable gaming devices.

Tomorrow, this will extend to the connection of virtually anything – from humble household appliances like your TV and aircon to entire buildings.

The unprecedented growth of Machine-to-Machine connectivity is driven by a global push for wireless solutions across a range of industries such as:

Utilities;
Transportation;
Health care;
Security;
Finance;
Mining and even
Agriculture

These solutions are already transforming our daily lives by increasing productivity, decreasing costs, lowering energy consumption and saving lives in countless areas.

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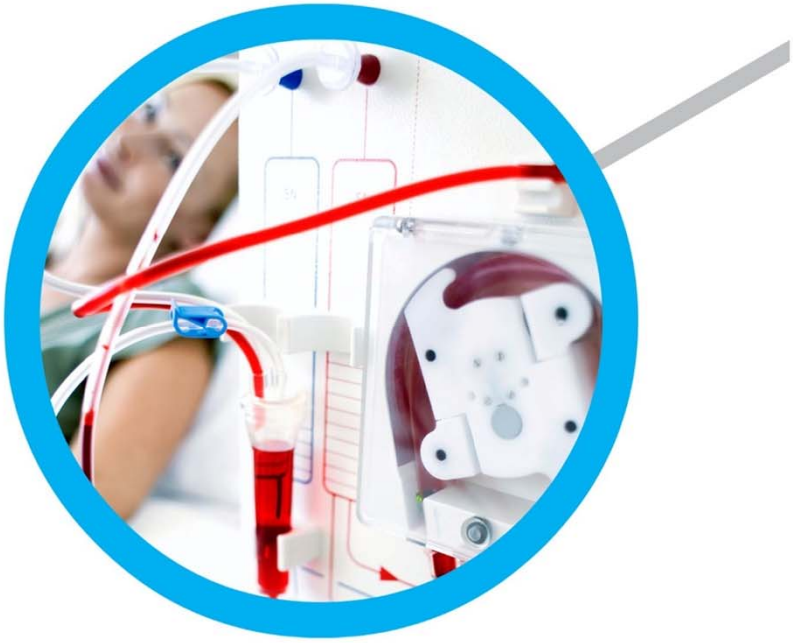

Patients, such as those suffering from renal failure, are already benefiting from the remote monitoring of medical equipment using wireless technology – such as portable dialysis machines designed to alert doctors the moment a problem arises.

The lives of people living in low lying coastal areas are now being safeguarded with the use of tsunami early warning systems deployed in unmanned, hazardous and remote locations.

There are a large number of NetComm devices situated on poles in the ocean around Australia-, solar powered, which will send an early warning of an approaching tsunami.

NetComm

When you're in the car, at a shopping centre, at the airport or walking down the street, you've no doubt seen advertising displayed on digital signage.
These sorts of digital signage displays are remotely managed using our wireless Machine-2-Machine modem gateways.

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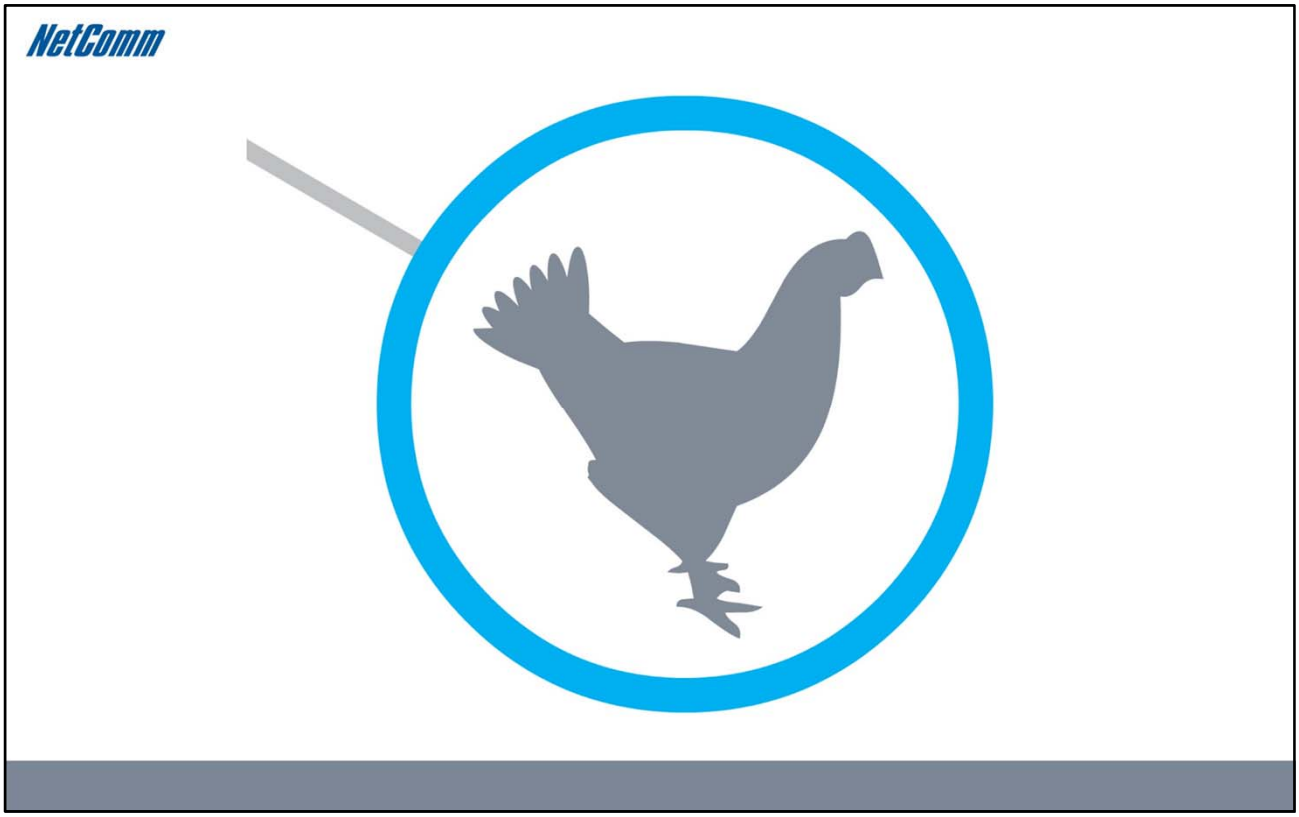
Our public transport system is also undergoing a process of change with cash soon to be replaced by an integrated electronic ticketing system, designed to operate across public ferries, trains and buses.

We will partner with Cubic Transportation Systems for the supply of industrial 3G gateways required for the NSW State Government's $1.2 billion dollar electronic ticketing project. This is a large project and we will commence supply in 2013.



Have you ever wondered whether the free range eggs you buy at the supermarket are really free range?

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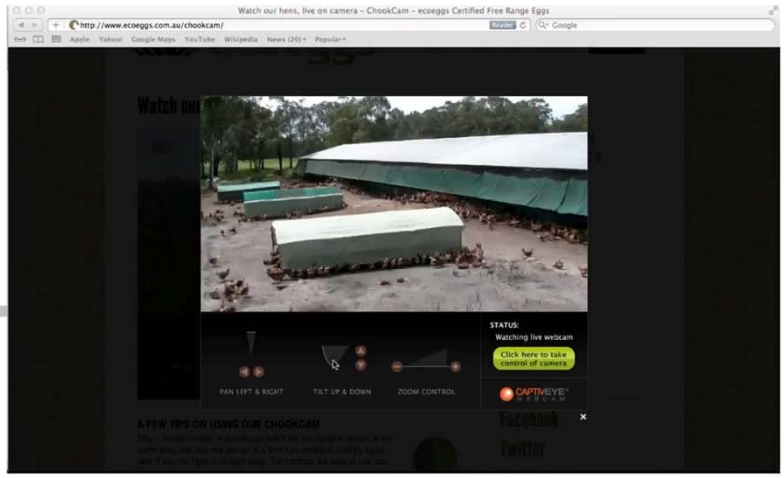
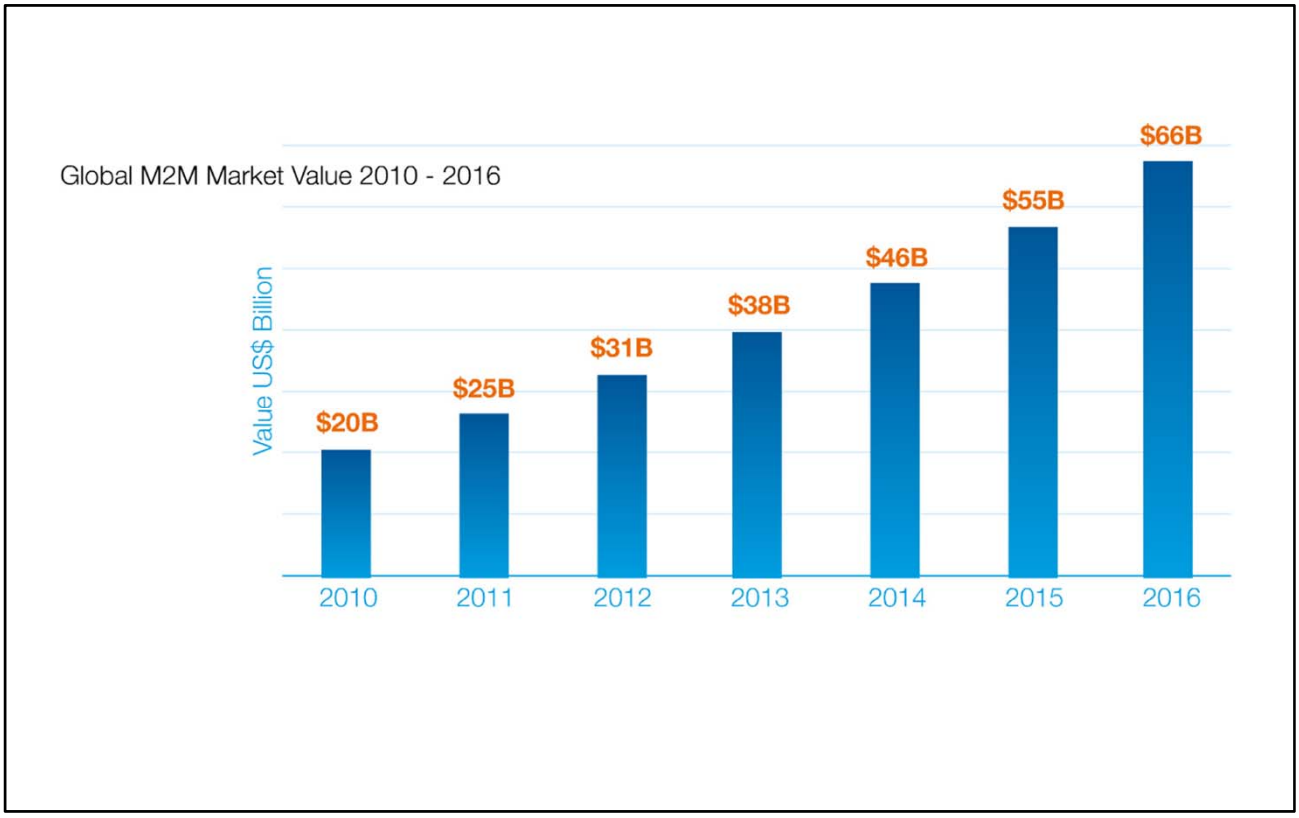


A chicken farmer – Eco Eggs wanted to provide solid proof that their chickens are really free range so they installed cameras and NetComm Routers on their farm so customers could view online happy chickens.

For industries using wireless connectivity even in harsh and demanding environments, the possibilities are endless.

Ericsson envisions a world of 50 billion connected devices within the next decade. Anything that can benefit from a network connection will be connected. Ericsson's definition of a connected device is anything that is capable of two-way communications.



Visiongain states that worldwide revenue for embedded mobile modems for Machine-2-Machine applications is advancing at an exceptional rate with last year seeing a 68% increase.

NetComm logo We will continue to foster strategic alliances with Wireless industry leaders to strengthen our competitive advantage, increase market penetration and leverage the opportunities presented by wireless broadband.

The company continually seeks to mitigate its risk by diversifying into a broader spread of geographic markets.

Medium to long-term growth will be achieved through a disciplined and multifaceted strategy aimed at bolstering our position in the:

Wireless Broadband and M2M markets;

Increasing our strategic alliances;

And growing our global market share.

We have already indicated that we have solid long term relationships with international carriers, the NBN and Cubic Transport which will provide a solid foundation in future years on which we can build.

Thank you

End