

NETCOMM INVESTOR PRESENTATION THIRD QUARTER UPDATE

23 March 2010

NetComm

NETCOMM LIMITED

NETCOMM'S MISSION

To supply Telcos and ISPs globally with Mobile Broadband Gateways that meet their individual needs and create value for their customers.



ABOUT NETCOMM

- Innovative and customer-oriented company
- Australian owned and operated
- Established 1982 and constantly evolving to meet new technology challenges
- 105 employees, primarily based in Sydney
- One quarter of employees engaged in development activities
- Product portfolio focused on Broadband Gateway products
- Industry leader in commercial development of Mobile Broadband Gateways (3G, HSPA+)
 - First to commercialise 7.2 Mbps Mobile Broadband Gateway in 2008
 - First to commercialise 21 Mbps Mobile Broadband Gateway in 2009
- Currently servicing 4 countries – Australia, New Zealand, UAE and Canada
- Expansion to a further 2 countries over 2010 calendar year

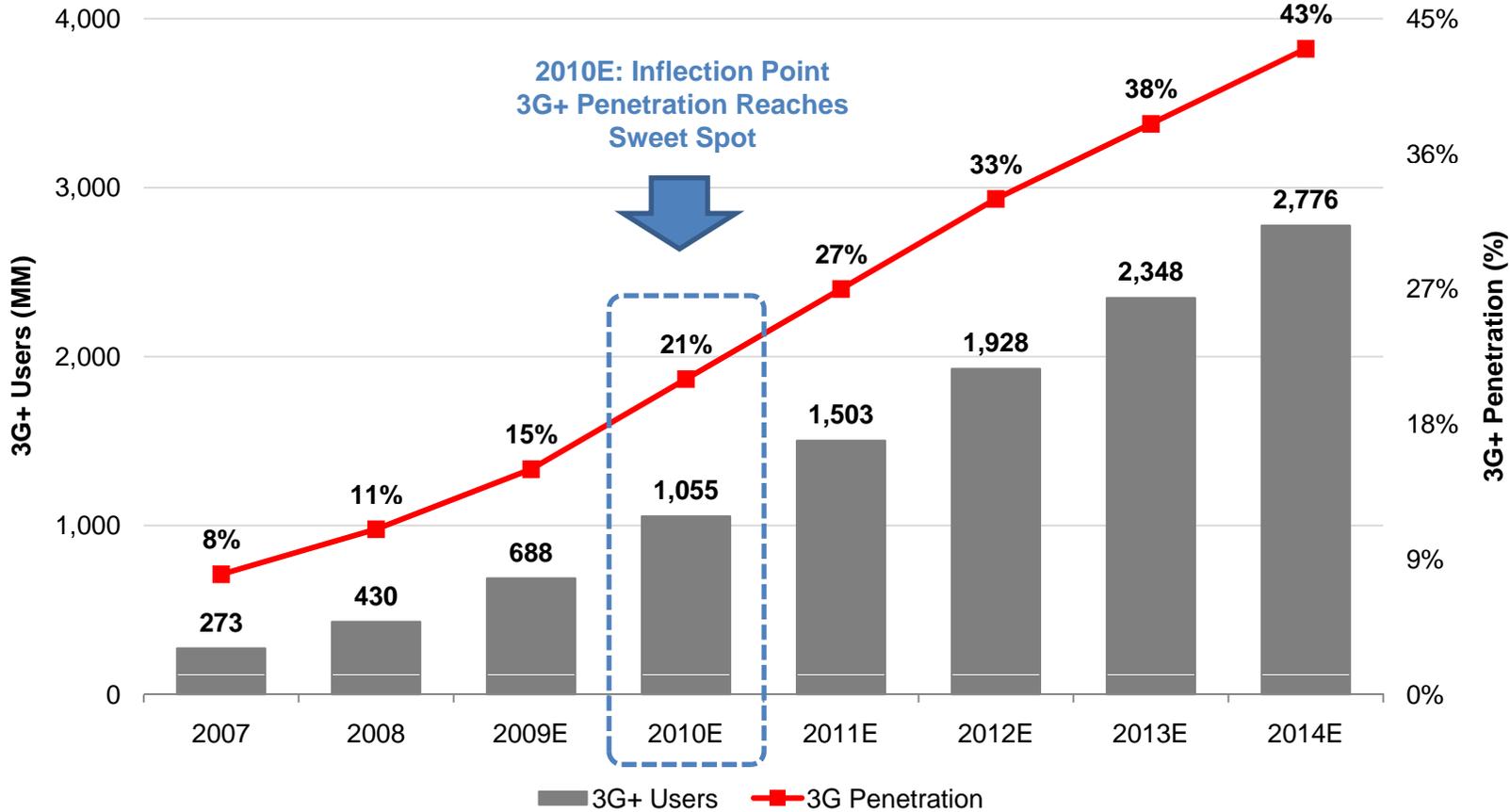
HIGHLIGHTS

- NetComm achieved above guidance earnings result for H1 2010
- Timing delay of 21 Mbps Mobile Broadband Gateway will roll through H2 2010 period triggering management to lower its full year guidance
- Management have extended forecast to H1 2011 to show full impact benefits from incremental carrier agreements
- NetComm's key target market – the Mobile Broadband sector – continues to grow at exceptional rates
- NetComm continues to lead with first to market product development and commercialisation
- NetComm on track to achieve target of 8 international carriers by June 2011

CURRENT MARKET ENVIRONMENT

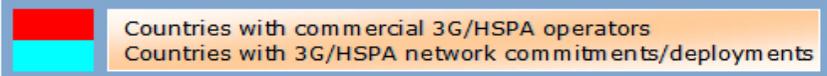
MARKET INDICATORS: END USER GROWTH

Global 3G+ Subscribers & Penetration 2007 – 2014E

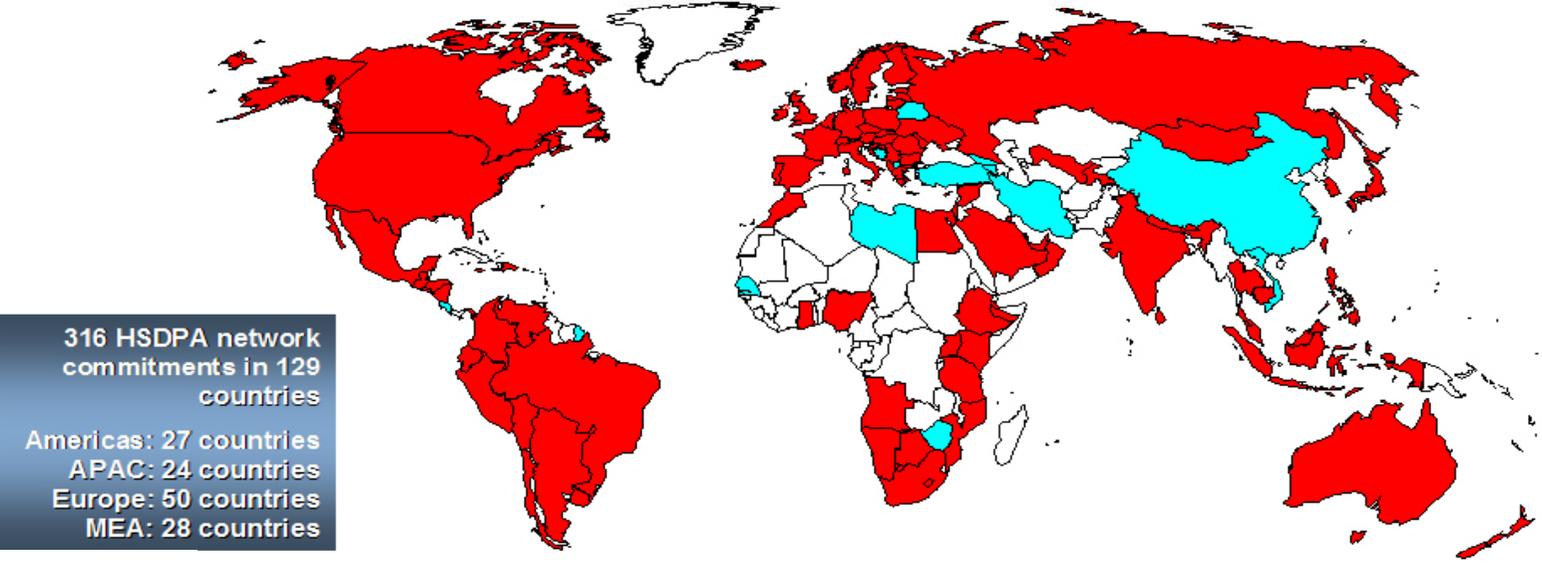


3G+ technologies include WCDMA, HSPA, TD-SCDMA, 1xEV-DO, LTE and WiMax
Source: Ovum Estimates, Morgan Stanley Research

MARKET INDICATORS: 3G CARRIER GROWTH



274 commercial HSDPA operators in 115 countries/territories
87 HSUPA networks launched in 45 countries/territories

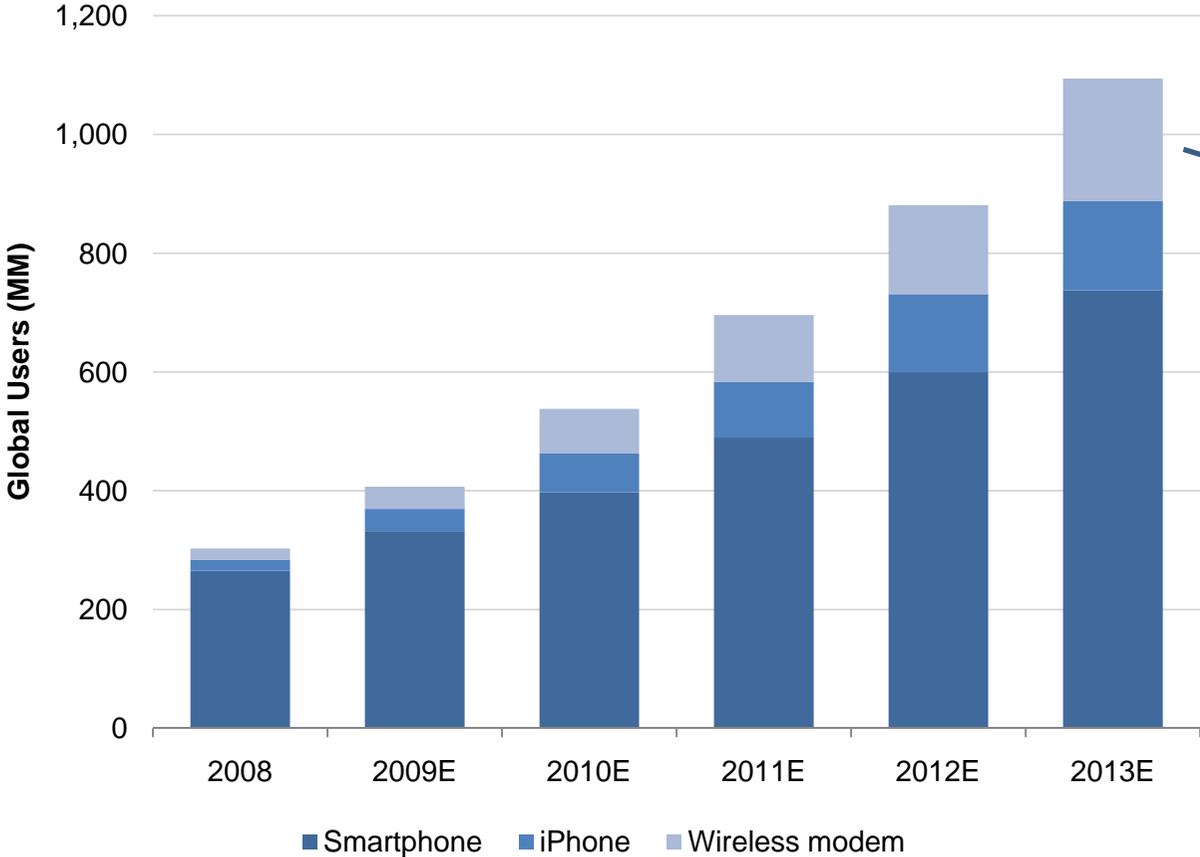


HSPA operator commitments survey – July 23, 2009
www.gsacom.com/gsm_3g/wcdma_databank.php#HSDPA_Operator_Commitments

Source: GSMIA global information web site

MARKET INDICATORS: SPECIFIC SEGMENT GROWTH

Global Mobile Data Users
2008 – 2013E



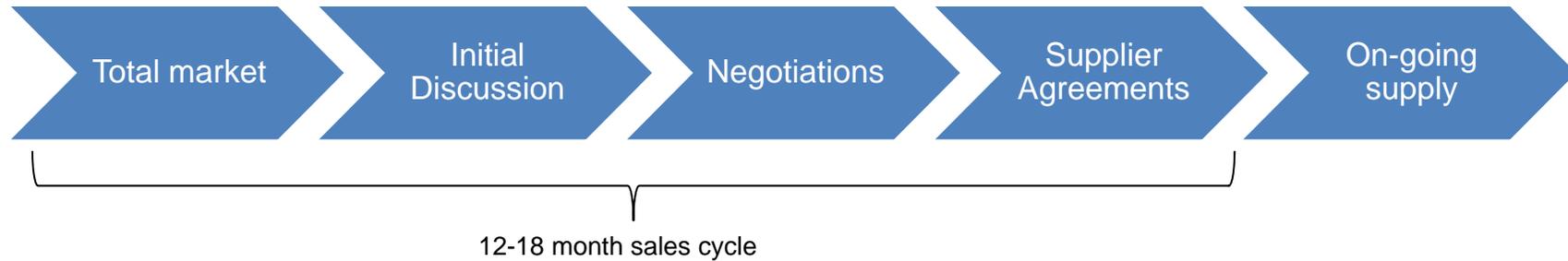
NetComm's key segment (wireless modems) global estimated CAGR of 55% (08-13E)

Set to grow from 40M to over 200M in just over 4 years

Source: Ovum Estimates, Morgan Stanley Research

NETCOMM TELCO / ISP SALES PIPELINE

NetComm sales pipeline process



	November 2009	March 2010	June 2010 [^]	June 2011 [^]
Qualified opportunities	70	72	100	120
Initial discussions	31	27	25	25
Expressions of interest	9	9	10	10
Agreement being finalised	4	4	3	6
Signed supply agreements*	2	3	4	8

[^] June 2010 and June 2011 Based on NetComm expected negotiated outcomes

* Only signed supply agreements with purchase orders are included

NETCOMM'S KEY PARTNERSHIPS



NetComm develop Telstra Business and BigPond 3G Wireless Gateway's that are designed for use on Telstra's Next G™ network.



NetComm develop broadband products to meet the requirements of Etisalat. Etisalat is one of the world's largest mobile carriers and operates in 19 countries across the Middle East, Africa and Asia.



Ingram Micro is one of NetComm's largest distributors within Australia and distributes a wide range of broadband products



Sierra Wireless is the world's leading 3G modules manufacturer. Sierra's 3G modules are integrated in a wide range of NetComm's 3G Routers.



NetComm is a preferred partner of Officeworks and deliver a wide range of broadband products to meet their requirements.

NETCOMM'S INDUSTRY-LEADING PRODUCTS

NetComm

NETCOMM MOBILE BROADBAND GATEWAY RANGE



NetComm's value proposition

- ▶ **Expertise** to fully customise hardware & software to carrier needs
- ▶ **Advanced** industrial design techniques
- ▶ **Proven** first to market with 7.2 Mbps and 21 Mbps gateway devices
- ▶ **Scalable** capacity through overseas manufacturing



KEY MOBILE BROADBAND GATEWAY PRODUCT

Description:

HSPA+ (21 Mbps) Wi-Fi Gateway with

Target:

- Businesses
- Home office
- Mobile office
- Locations without a fixed (ADSL/Cable) connection
- Frequent moves e.g. renters

Benefits:

- Multiple wireless and wired devices can share the one connection
- Allows streaming of bandwidth intensive files quickly and easily
- USB port for print and mass storage
- Stylish vertical business casing with small footprint



INTRODUCING NETCOMM MYZONE™

Description:

Battery powered Mobile Broadband + Wi-Fi Gateway

Target:

- Travelling professionals
- Car rental companies
- Trucks, buses or cars
- Mobile office
- For holiday-makers to stay in touch with the office

Benefits:

- Slips into your pocket
- Provides over 4 hours battery life
- Weighs less than a mobile phone
- A sleek professional design
- Allows you to share your connection with up to 5 devices
- Delivers speeds of up to 7.2 Mbps downlink & 5.8 Mbps uplink



NETCOMM FINANCIALS

2010/11 CONSIDERATIONS

- More diverse mobile operator base will enable run-rate based forecasting for 2010/11
- Headline revenue run rates impacted by exchange rate relative to 2008/09
- Timing delay of 21 Mbps Mobile Broadband Gateway will now roll through H2 2010 period
- NPAT result will be continue to be impacted by amortization of intangible assets from acquisitions and NetComm's tax payable position (for first time in 6 years)
- After an initial increase in investment in international development, fixed costs are relatively scalable to 6-8 carriers (or around \$100-120m turnover) before requiring major step change, expected during 2010/11
- Step change in international business or acquisition opportunity may trigger review of capital requirements

BASIS FOR NETCOMM FORECAST – H2 2010

Key business unit	H2 2010 (Low)	H2 2010 (High)	Comments
Products – Domestic fixed	<ul style="list-style-type: none"> Maintain market share 0% sector growth 	<ul style="list-style-type: none"> Maintain market share 2.7% sector growth 	<ul style="list-style-type: none"> Based on historical run rate and continued development of products we have outperformed budget for past 3 halves.
Products – Mobile internet devices	<ul style="list-style-type: none"> 3 key ISP / Carriers Average monthly unit order size 3 – 3.5k[#] No MyZone devices shipped 	<ul style="list-style-type: none"> 4 key ISP / Carriers Average monthly unit order size 3.5 – 5k[#] MyZone devices shipped 	<ul style="list-style-type: none"> While expecting to sign a fourth carrier, financial benefit not for the full period; Factoring in potential retail launch timing of MyZone with carriers; 3G21 delay has had knock on effect (but not as dramatic as H1) Unit pricing decline has been factored
Underlying assumptions	<ul style="list-style-type: none"> US Exchange rate 0.92 	<ul style="list-style-type: none"> US Exchange rate 0.92 	<ul style="list-style-type: none"> Exchange rate has impact on both revenue & cost of goods sold.
Forecast	Revenue: \$33.9m EBITDA: \$1.4m	Revenue: \$39.3 EBITDA: \$1.9m	

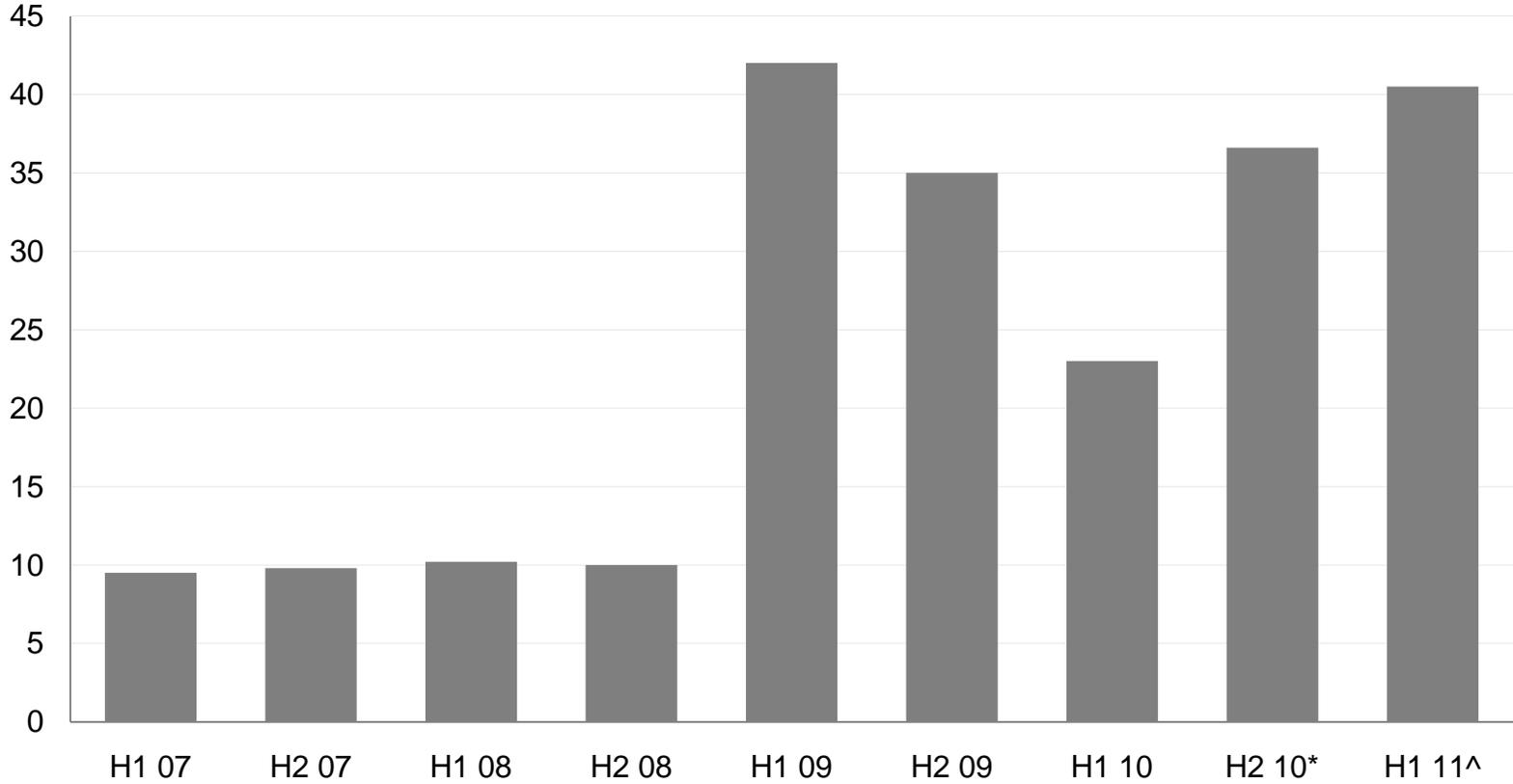
weighted average of total units purchased by all international and domestic carriers/operators

BASIS FOR NETCOMM FORECAST – H1 2011

Key business unit	H1 2011 (Low)	H1 2011 (High)	Comments
Products – Domestic fixed	<ul style="list-style-type: none"> Maintain market share 0% sector growth 	<ul style="list-style-type: none"> Maintain market share 2.7% sector growth 	<ul style="list-style-type: none"> Based on historical run rate and continued development of products we have outperformed budget for past 3 halves.
Products – Mobile internet devices	<ul style="list-style-type: none"> 4 key ISP / Carriers Average monthly unit order size 3.5 – 5k[#] 	<ul style="list-style-type: none"> 6 key ISP / Carriers Average monthly unit order size 5 – 5.5k[#] 	<ul style="list-style-type: none"> Will lift the number of signed carriers to 6 MyZone will be in full production; Move to 42Mbps not until H2 2011 Conservative lift in the average order size Unit pricing decline has been factored
Underlying assumptions	<ul style="list-style-type: none"> US Exchange rate 0.94 	<ul style="list-style-type: none"> US Exchange rate 0.94 	<ul style="list-style-type: none"> Exchange rate has impact on both revenue & cost of goods sold Rising interest rates could put further upward pressure on \$AUD
Forecast	Revenue: \$35.3m EBITDA: \$1.5m	Revenue: \$45.6 EBITDA: \$2.7m	

weighted average of total units purchased by all international and domestic carriers/operators

REVENUE TREND – HALF YEARLY



* H2 10 Based on full year guidance midpoint
^ H1 11 Based on management forecast midpoint

GUIDANCE SUMMARY

Audited H1 2010 results

- Revenue of \$22.9m – slightly below guidance of \$24-27m due to timing delay & exchange rate movement
- EBITDA of \$886k – above guidance of \$300-500k

Updated guidance for full year 2010

\$AUD M	H1 2010 Audited	H2 2010 Guidance	FY 2010 Guidance	FY 2010 Previous Guidance*
Revenue	22.9	33.9 – 39.3	56.8 – 62.2	71 - 79
EBITDA	0.9	1.4 – 1.9	2.3 – 2.8	4.4 - 5.6

- Based on conservative assumptions as forecasts currently available for 2 of 4 major customers only
- H1 2011 expected to benefit from full impact of 2 incremental carriers and demand lift from new Internet Gateway product

*Announced in November 2009

INCOME STATEMENT FOR H1 2010

\$AUD in '000	H1 2009	H2 2009	H1 2010	H2 2010 Guidance
Revenue	40,259	38,157	22,928	33,900 - 39,300
Gross profit	9,794	9,303	7,866	8,305 - 9,435
Operating expense	6,127	6,771	6,980	6,995 - 7,335
EBITDA	3,667	2,532	886	1,400 - 1,900
Profit after tax	2,152	3,739	(60)	620 - 950
Basic earnings per share (cents)	2.30	3.81	(0.06)	
Diluted earnings per share	2.26	3.77	(0.06)	

BALANCE SHEET FOR H1 2010

\$AUD in millions	H1 2009	H2 2009	H1 2010
Current assets			
Cash	5,090	4,762	2,191
Trade receivables	4,694	4,181	4,001
Inventories	7,180	7,695	9,463
Other current	166	123	400
Total current Assets	17,130	16,762	16,055
Total Non-current Assets	6,483	10,940	10,908
TOTAL ASSETS	23,613	27,702	26,963
Total current liabilities	11,573	11,353	12,053
Total non-current liabilities	180	473	307
Shareholders equity	11,859	15,876	14,603
TOTAL LIABILITIES & EQUITY	23,613	27,702	26,963

Source: NetComm audited financial statements

DISCLAIMER

This document has been prepared based on management's current expectations and beliefs and is relevant only up to the date of this presentation.

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