

**Appendix 4D**  
**Half year report**

**1. Company details**

Name of entity

<b>NetComm Limited</b>

ABN or equivalent company reference	Half year ended ('current period')	Half year ended ('previous period')
85 002 490 486	31 December 2009	31 December 2008

**2. Results for announcement to the market**

\$A'000's

2.1 Revenues from ordinary activities	up/down	43.0 %	to	22,928
2.2 EBITDA	From	3,667	to	886
2.3 Profit/(loss) from ordinary activities after tax attributable to members	down	102.8%	to	(60)
2.4 Net Profit/(loss) for the period attributable to members	down	102.8%	to	(60)
<b>2.5 Dividends</b>	Amount per security		Franked amount per security	
Interim dividend paid on 30 October 2009	1.0 ¢		NIL ¢	
2.6 +Record date for determining entitlements to the dividend.	[ ]			
<b>2.7 Brief explanation</b>				
<p>NetComm (ASX:NTC) recorded an EBITDA of \$886,429 for the half year ended 31 December 2009 which was \$2,780,710 lower than the corresponding period in 2008. These results are in line with guidance released Q4 2009.</p> <p>NetComm's mission is to profitably supply carriers with gateways that interface, share or control the internet. In particular, NetComm is continuing its focus on development of 3G technologies and increasing its penetration of the rapidly expanding international 3G carrier market. While it has taken longer than originally expected to gain traction in this market, the company was awarded a global supplier agreement with the UAE based carrier, Etisalat, in November 2009 and is well progressed with negotiations with other international carriers.</p> <p>The company held orders valued at approximately \$6,000,000 at the end of December. The majority of these orders have subsequently been shipped. With a healthy sales pipeline looking forward, the company expects a much improved result in the second half of the 2010 financial year in line with its guidance provided in Q4 2009.</p>				

**3. NTA backing**

	Current period	Previous corresponding Period
Net tangible asset backing per <sup>+</sup> ordinary security	10.2 cents	9.8 cents

**4.1 Control gained over entities**

Name of entity (or group of entities)

N/a

Date control gained

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

**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).

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).

\$

\$

**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
	<b>Final Dividend:</b> <b>NIL</b>				

**6 Dividend Reinvestment Plans**

The <sup>+</sup>dividend or distribution plans shown below are in operation.

The Company's Dividend Reinvestment Plan ("DRP") provides holders of ordinary shares of the Company with the choice of re-investing dividends paid or declared by the Company on ordinary shares instead of receiving cash dividends.

Eligible shareholders may elect to participate in the Plan in respect of all or part of their holding and, subject to the terms of the Plan, may vary the level of participation or withdraw from the Plan at any time.

Participating shareholders are entitled on each dividend payment to which the DRP applies to be allotted the nearest whole number of ordinary shares (rounded down) which the cash dividend on the relevant Plan shares in the relevant shareholding account would purchase at the issue price.

Shares allotted under the DRP are issued at a discount of 5% from the weighted average market price of ordinary shares of the Company sold on the Australian Stock Exchange Automated Trading System on the first day on which those shares are quoted ex dividend.

The last date(s) for receipt of election notices for the <sup>+</sup>dividend or distribution plans

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**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				

<b>Group's aggregate share of associates' and joint venture entities' profits/(losses) (where material):</b>	Current period \$A'000	Previous corresponding period - \$A'000
Profit/(loss) from ordinary activities before tax		
Income tax on ordinary activities		
<b>Profit/(loss) from ordinary activities after tax</b>		
Extraordinary items net of tax		
<b>Net profit/(loss)</b>		
Adjustments		
<b>Share of net profit/(loss) of associates and joint venture entities</b>		

**8 Foreign entities**

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

Sign here:   
 (Managing Director)

Date: 26<sup>th</sup> February 2010

Print name: David P.J. Stewart

**NETCOMM LIMITED**

**ACN 002 490 486**

**HALF YEAR FINANCIAL REPORT**

**FOR THE HALF YEAR ENDED  
31 DECEMBER 2009**

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**CORPORATE INFORMATION**

**Directors**

Terry Winters (Non Executive Chairman)  
David Stewart (Managing Director)  
John Brennan (Non Executive Director)  
John Burton (Non Executive Director)

**Company Secretary**

Peter Beveridge

**Registered Office**

Unit 1, 2-6 Orion Rd, Lane Cove NSW 2066

**Bankers**

National Australia Bank

**Share Registry**

Computershare Investor Services  
L3, 60 Carrington St., Sydney NSW 2000

**Auditors**

**Deloitte Touche Tohmatsu**

Chartered Accountants  
Grosvenor Place  
225 George Street, Sydney, NSW 2000

**Solicitors**

**RBHM Lawyers**

53 Berry St North Sydney NSW 2060

**DLA Phillips Fox**

201 Elizabeth St Sydney NSW 2000

## **DIRECTORS' REPORT**

Your directors present their report on the company and its controlled entities for the half-year ended 31 December 2009.

### **1. DIRECTORS**

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

Terry Winters	(Non Executive Chairman)
David Stewart	(Managing Director)
John Brennan	(Non Executive Director)
John Burton	(Non Executive Director)

### **2. PRINCIPAL ACTIVITIES**

The Group's principal activities include the development of broadband communication devices, which include ADSL, VDSL and HSPA (3G) technologies. Distribution of these products is via a national and international network of leading resellers, ISP's and telecommunication carriers.

### **3. REVIEW AND RESULTS OF OPERATIONS**

NetComm (ASX:NTC) recorded an EBITDA of \$886,429 for the half year ended 31 December 2009 which was \$2,780,710 lower than the corresponding period in 2008. These results are in line with guidance released Q4 2009.

NetComm's mission is to profitably supply carriers with gateways that interface, share or control the internet. In particular, NetComm is continuing its focus on development of 3G technologies and increasing its penetration of the rapidly expanding international 3G carrier market. While it has taken longer than originally expected to gain traction in this market, the company was awarded a global supplier agreement with the UAE based carrier, Etisalat, in November 2009 and is well progressed with negotiations with other international carriers.

The company held orders valued at approximately \$6,000,000 at the end of December. The majority of these orders have subsequently been shipped. With a healthy sales pipeline looking forward, the company expects a much improved result in the second half of the 2010 financial year in line with its guidance provided in Q4 2009.

### **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.



**Director**  
Sydney, 26<sup>th</sup> February 2010

Deloitte Touche Tohmatsu  
ABN 74 490 121 060

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225 George Street  
Sydney NSW 2000  
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The Board of Directors  
NetComm Limited  
Unit 1, 2-6 Orion Road  
LANE COVE NSW 2066

Dear Board Members

**NetComm Limited**

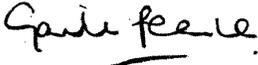
In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of NetComm Limited.

As lead audit partner for the review of the financial statements of NetComm Limited for the half-year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review;  
and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

  
Deloitte Touche Tohmatsu



Gaile Pearce  
Partner  
Chartered Accountants  
Sydney, 26 February 2010

**CONDENSED CONSOLIDATED INCOME STATEMENT**

For the half year ended 31 December 2009

	Note	Consolidated	
		31 December 2009 \$	31 December 2008 \$
<b>Continuing Operations</b>			
Revenue from the sale of goods		22,928,171	40,259,245
Other income		48,131	121,900
Change in inventories of finished goods and work in progress		48,781	(220,324)
Raw materials consumed		(15,159,151)	(30,367,058)
Employee benefits		(4,249,554)	(3,196,538)
Administrative expenses		(1,467,012)	(1,155,423)
Other expenses	3	(1,262,937)	(1,774,663)
Earnings before interest, tax, depreciation and amortisation (EBITDA)		<b>886,429</b>	3,667,139
Depreciation and amortisation expense		(852,166)	(231,641)
Finance costs		(136,490)	(77,596)
<b>(Loss)/Profit before income tax</b>		<b>(102,227)</b>	3,357,902
Income tax benefit/(expense)		41,809	(1,206,005)
<b>(Loss)/Profit after income tax</b>		<b>(60,418)</b>	2,151,897
Attributable to Equity holders of the parent		<b>(60,418)</b>	2,151,897
<b>Earnings per share:</b>			
From continuing operations			
Basic earnings per share (cents per share)		(0.06)	2.30
Diluted earnings per share (cents per share)		(0.06)	2.26

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the half year ended 31 December 2009

	Note	Consolidated	
		31 December 2009 \$	31 December 2008 \$
(Loss)/profit for the period		(60,418)	2,151,897
<b>Other comprehensive income</b>			
Exchange differences arising on translation of foreign operations		(1,090)	(18,020)
Income tax relating to components of other comprehensive income		-	-
<b>Other comprehensive income for the period</b>		<b>(1,090)</b>	(18,020)
<b>Total comprehensive income for the period</b>		<b>(61,508)</b>	2,133,877
Attributable to Equity holders of the parent		<b>(61,508)</b>	2,133,877
		<b>(61,508)</b>	2,133,877

The above Condensed Consolidated Income Statement and Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 December 2009

	Note	Consolidated	
		31 December 2009 \$	30 June 2009 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		2,191,231	4,762,135
Trade and other receivables		4,000,712	4,181,370
Inventories		9,462,822	7,695,750
Other current assets		399,768	123,206
<b>Total current assets</b>		<b>16,054,533</b>	<b>16,762,461</b>
<b>Non-current assets</b>			
Property, plant and equipment		1,141,410	950,919
Deferred tax assets		2,535,245	2,493,436
Goodwill		895,999	840,101
Other intangible assets		3,161,473	3,443,721
Other non-current inventories		3,174,280	3,211,604
<b>Total non-current assets</b>		<b>10,908,407</b>	<b>10,939,781</b>
<b>TOTAL ASSETS</b>		<b>26,962,940</b>	<b>27,702,242</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		6,477,724	6,925,265
Borrowings		3,561,969	1,514,725
Short term provisions		1,366,894	1,350,084
Income tax liability		79,611	159,377
Other current liabilities		566,682	1,403,313
<b>Total current liabilities</b>		<b>12,052,880</b>	<b>11,352,764</b>
<b>Non-current liabilities</b>			
Long term borrowings		223,361	261,854
Long term provisions		83,691	76,608
Other non-current liabilities		-	135,223
<b>Total non-current liabilities</b>		<b>307,052</b>	<b>473,685</b>
<b>TOTAL LIABILITIES</b>		<b>12,359,932</b>	<b>11,826,449</b>
<b>NET ASSETS</b>		<b>14,603,008</b>	<b>15,875,793</b>
<b>EQUITY</b>			
Issued capital	5	9,275,400	9,656,257
Reserves		498,391	289,192
Retained earnings		4,829,217	5,930,344
<b>TOTAL EQUITY</b>		<b>14,603,008</b>	<b>15,875,793</b>

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the half year ended 31 December 2009

<b>Consolidated</b>		<b>Ordinary Shares</b>	<b>Retained Earnings</b>	<b>Foreign Currency Translation Reserve</b>	<b>Option Reserve</b>	<b>Total</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2009</b>		<b>9,656,257</b>	<b>5,930,344</b>	<b>(72,524)</b>	<b>361,716</b>	<b>15,875,793</b>
(Loss)/profit for the period		-	(60,418)	-	-	(60,418)
Exchange difference on translation of foreign operations		-	-	(1,090)	-	(1,090)
<b>Total comprehensive income for the period</b>		-	(60,418)	(1,090)	-	(61,508)
Contributions of equity net of transaction costs		273,843	-	-	-	273,843
Share buy-backs		(654,700)	-	-	-	(654,700)
Recognition of share based payments		-	-	-	210,289	210,289
Settlement of share rights		-	-	-	-	-
Payment of dividends	<b>4</b>	-	(1,040,709)	-	-	(1,040,709)
<b>Balance at 31 December 2009</b>		<b>9,275,400</b>	<b>4,829,217</b>	<b>(73,614)</b>	<b>572,005</b>	<b>14,603,008</b>

For the half year ended 31 December 2008

<b>Consolidated</b>		<b>Ordinary Shares</b>	<b>Retained Earnings</b>	<b>Foreign Currency Translation Reserve</b>	<b>Option Reserve</b>	<b>Share Rights Reserve</b>	<b>Total</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2008</b>		<b>7,770,904</b>	<b>38,966</b>	<b>(40,619)</b>	<b>77,490</b>	<b>1,236,875</b>	<b>9,083,616</b>
Profit/(loss) for the period		-	2,151,897	-	-	-	2,151,897
Exchange difference on translation of foreign operations		-	-	(18,020)	-	-	(18,020)
<b>Total comprehensive income for the period</b>		-	2,151,897	(18,020)	-	-	2,133,877
Contributions of equity net of transaction costs		1,255,483	-	-	-	-	1,255,483
Recognition of share based payments		-	-	-	48,143	-	48,143
Settlement of share rights		-	-	-	-	(662,125)	(662,125)
<b>Balance at 31 December 2008</b>		<b>9,026,387</b>	<b>2,190,863</b>	<b>(58,639)</b>	<b>125,633</b>	<b>574,750</b>	<b>11,858,994</b>

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the half year ended 31 December 2009

	Note	Consolidated	
		31 December 2009 \$	31 December 2008 \$
<b>Cash flows from operating activities:</b>			
Receipts from customers		25,544,460	42,063,464
Payments to suppliers and employees		(26,619,130)	(36,873,922)
Finance costs		(136,490)	(77,596)
Income taxes paid		(79,766)	-
<b>Net cash (used in) / provided by operating activities</b>		<b>(1,290,926)</b>	<b>5,111,946</b>
<b>Cash flows from investing activities:</b>			
Proceeds from sale of plant and equipment		83,300	-
Interest received		6,545	121,900
Acquisition of property, plant and equipment		(379,038)	(274,393)
Acquisition of intangible assets		(520,569)	-
Acquisition of subsidiaries, controlled		(1,056,311)	(189,057)
<b>Net cash used in investing activities</b>		<b>(1,866,073)</b>	<b>(341,550)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from issue of shares		273,843	-
Payment for share buy-back		(654,700)	-
Proceeds from borrowings		2,006,751	36,512
Dividends paid		(1,040,709)	-
<b>Net cash provided by financing activities</b>		<b>587,185</b>	<b>36,512</b>
<b>Net (decrease) / increase in cash and cash equivalents held</b>		<b>(2,569,814)</b>	<b>4,806,908</b>
Cash and cash equivalents at beginning of financial period		4,762,135	282,639
Effect of exchange rates on cash holdings in foreign currencies		(1,090)	-
<b>Cash and cash equivalents at end of financial period</b>		<b>2,191,231</b>	<b>5,089,547</b>

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2009

### 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 condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. 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 2009 annual financial report for the financial year ended 30 June 2009, 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.

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.

New and revised Standards and Interpretations effective for the current reporting period that are relevant to the Group include:

- AASB 8 *Operating Segments*
- AASB 101 *Presentation of Financial Statements*

Application of these standards has not affected any amounts recognised in the financial report, but has changed the disclosures previously made under the former applicable standards.

### Note 2 – Segment Information

The Group has adopted AASB 8 *Operating Segments* and AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8* with effect from 1 January 2009. 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. In contrast, the predecessor Standard (AASB 114 *Segment Reporting*) required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments. As a result, following the adoption of AASB 8, the identification of the Group's reportable segments has changed.

In prior years, segment information reported externally was analysed on the basis of business segment (computer hardware products) and geography (Australia and New Zealand). However, 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:

- Product - Australia
- Product - International
- Services – Australia

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the half year ended 31 December 2009

**Note 2 – Segment Information (continued)**

The product reportable segment supplies communication devices, including but not limited to Mobile Internet Gateways, designed and manufactured for use primarily by consumer and small medium enterprises (SME). The services reportable segment provides communications related services, including but not limited to Gateway managed services, consumed primarily by consumer and small medium enterprises (SME).

Information regarding these segments is presented below. Amounts reported for the prior period have been restated to conform to the requirements of AASB 8. The accounting policies of the new reporting segments are the same as the Group's accounting policies.

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		Half Year Ended	
	31-Dec	31-Dec	31-Dec	31-Dec
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Continuing Operations</b>				
<b>Revenue generated from external customers</b>				
Product - Australia	20,749,490	38,236,274	1,895,478	4,592,266
Product - International	2,150,656	2,009,629	(477,937)	(395,306)
Services - Australia	28,025	13,342	(579,244)	(651,721)
<b>Intersegment Revenue</b>				
Product - Australia	344,149	290,441	-	-
Product - International	47,737	-	-	-
Services - Australia	-	-	-	-
Intersegment Eliminations	(391,886)	(290,441)	-	-
	<b>22,928,171</b>	<b>40,259,245</b>	<b>838,297</b>	<b>3,545,239</b>
Other income			48,131	121,900
Depreciation and amortisation expense			(852,165)	(231,641)
Finance costs			(136,490)	(77,596)
<b>(Loss)/profit before tax</b>			<b>(102,227)</b>	<b>3,357,902</b>
Income tax (expense)/benefit			41,809	(1,206,005)
<b>Consolidated segment revenue and profit for the period</b>	<b>22,928,171</b>	<b>40,259,245</b>	<b>(60,418)</b>	<b>2,151,897</b>

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

Revenues from a single customer greater than 10% of total revenues reside in the Product - Australia. Segment profit represents the profit earned by each segment without allocation of other income, finance costs and depreciation and amortisation.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the half year ended 31 December 2009

**Note 3 – Expenses**

	<b>Consolidated</b>	
	<b>31-Dec 2009</b>	<b>31-Dec 2008</b>
	\$	\$
<b>Other Expenses</b>		
Advertising and Marketing Expense	366,777	558,265
Rent Expense	277,175	224,998
Other Expense	618,985	991,400
<b>Total Other Expenses</b>	<b>1,262,937</b>	<b>1,774,663</b>

**Note 4 – Dividends**

	<b>Half Year Ended 31-Dec 2009</b>		<b>Half Year Ended 31-Dec 2008</b>	
	<b>Cents per Share</b>	<b>Total \$'000</b>	<b>Cents per Share</b>	<b>Total \$'000</b>
<b>Fully Paid Ordinary Shares</b>				
Interim Dividend	1.00	1,040,709	-	-

**Note 5 – Issuances, repurchase and repayments of equity securities**

Issued capital at 31 December 2009 amounted to \$9,275,400 (102,998,233 ordinary shares). During the half-year reporting period the company issued 2,140,620 ordinary shares for \$173,733 on exercise of 2,140,620 share options under its share option plan. In addition, 271,224 ordinary shares for \$100,110 were issued under the company's dividend reinvestment plan. Shares purchased under the share buy-back scheme amounted to 2,555,878 for \$654,700.

The company issued 275,000 share options (2008: 7,940,000) over ordinary shares under its share options plan during the half-year reporting period. These options had an estimated fair value at grant date of \$0.064 per share (2008: \$0.077). Actual fair value of options issued to be determined for 2009/10 Annual Report.

**Note 6 – Discontinued operations**

There were no discontinued operations to report

**Note 7 – Events occurring after reporting date**

NetComm Limited has had no significant events occurring after the period end up to the date of this report.

**Note 8 – Contingent Liabilities**

There have been no changes from what was reported in the previous annual report.

**Note 9 – Acquisition of subsidiary**

There were no acquisitions of subsidiaries to report.

**DIRECTORS' DECLARATION**

In the accordance with a resolution of the directors of NetComm Limited, pursuant to s303(5) of the Corporations Act 2001 the directors declare that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity:
  - (i) give a true and fair view of the financial position as at 31 December 2009 and the performance for the half year on that date of the consolidated entity; and
  - (ii) comply with Accounting Standards and the Corporations Act 2001; and
- (b) There are reasonable grounds to believe that NetComm Limited will be able to pay its debts as and when they become due and payable.

On behalf of the Board



**David Stewart**  
**Managing Director**

Sydney, 26<sup>th</sup> February 2010

## Independent Auditor's Review Report to the Members of NetComm Limited

We have reviewed the accompanying half-year financial report of NetComm Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2009, and the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of cash flows, condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 3 to 10.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim 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 NetComm Limited's financial position as at 31 December 2009 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 Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

*Auditor's Independence Declaration*

In conducting our review, we have 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 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 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*Deloitte Touche Tohmatsu.*

DELOITTE TOUCHE TOHMATSU

*Gaile Pearce*

Gaile Pearce

Partner

Chartered Accountants

Sydney, 26 February 2010