NetComm Wireless announces its 2013 half year result

22 February 2013 (Sydney): NetComm Wireless Limited (ASX: NTC) today announced its results for the six months ended 31 December 2012 (1H13). The results reflected NetComm's continued evolution from a company focused on consumer based technologies into one focused on the Machine to Machine (M2M) market.

1H13 Financial Overview:

- Revenue of $22.0 million (1H12: $25.2 million)
  - o reflecting the move away from consumer grade 3G routers to M2M
- Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) loss of $198,000 (1H12: loss of $438,000)
  - o underlying EBITDA of $102,000, after excluding approximately $300,000 in restructuring costs taken during the half
- Net loss after tax reduced to $842,000 (1H12: loss of $1,325,000)
  - o improvement was mainly due to a lower effective tax rate flowing from research & development costs
- Net debt was $5.6 million (30 June 2012: $5.3 million)
  - o capital needs are very short term and directly related to working capital needs for new contracts won

Progress on our M2M Evolution

Commenting on NetComm's 1H 13 results, Managing Director & CEO, Mr David Stewart, said: "The Company's financial performance over the past six months reflects the continued evolution of our business away from consumer products towards the high growth global M2M market."

"Importantly, we are making very good progress in executing our growth strategy into the M2M market. Yesterday we advised the market that Vodafone had officially launched the Machine Link 3G product to the global market. This coincides with NetComm Wireless receiving technical approval from Vodafone to move to mass production of this product."

"We are also making good progress in one of our key markets, being smart metering. We have successfully developed an integrated 3G communications module that operates seamlessly with a global manufacturer's smart meter. We shortly expect to be able to make an announcement in relation to a key contract win for this product," said Mr Stewart.

Dividend

Given the exciting opportunities available to NTC, the Board remains focused on conserving cash for business reinvestment and hence will not pay a dividend in 1H13. NetComm's dividend policy will be reinstated as soon as it is deemed prudent.

M2M Market to Underpin Strong Growth Opportunities

 "Our established business and 30 year history selling "edge" technologies provides us with a strong platform to expand into the fast growing M2M sector internationally".

"Our capabilities in the M2M sector can clearly be shown in our agreement with Vodafone Global Enterprise announced this half. The Machine Link 3G product, custom designed to meet the requirements of Vodafone and its global partners, will be available for mass production in the 4th quarter of FY13" said Mr Stewart.

As we continue to transform the business to the high growth M2M sector we expect FY13 revenue to be in the range of $45 million to $48 million, with EBITDA expected to be in the range of $1.8 million to $2.5 million.

"Our recently announced contracts with Vodafone and Ericsson are part of our focused strategy to align Netcomm Wireless with major players in the global telecommunications industry. We look forward to announcing further progress on this strategy in the coming months," added Mr Stewart.

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About NetComm Wireless

NetComm Wireless Limited (ASX: NTC) is a leading developer of innovative broadband products sold globally to major telecommunications carriers, core network providers and system integrators. For 30 years NetComm has developed a portfolio of world first data communication products, and is a respected global provider of 3G and 4G wireless devices servicing the major telecommunications carrier, Machine-to-Machine (M2M) and Rural Broadband markets. NetComm's products are designed to meet the growing needs of today's data-intensive home, business and industrial broadband applications and customized to optimize performance in line with global network advancements. Headquartered in Sydney, Australia, NetComm has offices in New Zealand, North America and the Middle East. For more information about NetComm visit: www.netcommwireless.com