

NetComm Wireless continues to deliver strong growth in Fixed Wireless and M2M

15 April 2016: NetComm Wireless Limited (ASX: NTC) provides the following trading update to the market.

FY16 guidance – significant investment underpinning attractive long term opportunities

Based on the Company's year to date financial performance and orders currently in place, NetComm Wireless expects to achieve the following results for the year ended 30 June 2016 (FY16):

- Revenue of approximately \$85 million, up 14.4% on FY15's result, reflecting:
 - fixed Broadband or "Base" business revenue of \$28 million compared to FY15 of \$40.5 million, returning to long term sustainable levels of around \$30 million.

FY15 revenue benefited from increased sales of powerline devices to a key customer, following that customer undertaking a major marketing initiative.

 - strong growth in Fixed Wireless and M2M revenue, up 68.6% to \$57 million due to continued growth in the Ericsson/nbn Fixed Wireless project and several new M2M projects.
- A timing difference relating to a small number of Fixed Wireless and M2M orders that were expected in FY16 and have been rescheduled, deferring revenue into FY17.
- EBITDA of approximately \$6.4 million, down slightly on FY15's result, reflecting:
 - \$4.3 million investment in staff, skills and infrastructure to deliver on the substantial growth opportunities available; and
 - \$0.7 million non-cash accounting expense associated with Share Appreciation Rights approved at the Company's November 2015 AGM.

The Company's underlying EBITDA – before investment in staff, skills and infrastructure and non-cash Share Appreciation Rights expense – is expected to be \$11.4 million, up 25.3% on FY15's underlying EBITDA result of \$9.1 million.

The expected results for FY16 outlined above are based on unaudited management accounts. NetComm Wireless intends to release its audited FY16 financial results on Friday, 19 August 2016.



FY17 outlook – strong growth expected

FY17 revenue and earnings are both expected to substantially grow, underpinned by:

- increased pace of the roll-out for the Ericsson/nbn Fixed Wireless project;
- commencement of orders from the fixed wireless Master Purchase Agreement with one of the two largest USA based telecommunications carriers; and
- new fixed wireless and M2M projects in Australia and overseas that are currently in the development pipeline.

The Company continues to see a number of opportunities for further investment in future growth.

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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 33 years NetComm Wireless 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 Fixed Wireless markets. NetComm Wireless' products are designed to meet the growing needs of today's data-intensive home, business and industrial broadband applications and customised to optimise performance in line with global network advancements.

Headquartered in Sydney, Australia, NetComm has offices in New Zealand, North America, Japan and Europe.

For more information about NetComm Wireless visit: www.netcommwireless.com