Thank you Justin
Good morning. Thank you all for coming.
This morning I would like to talk to you about:
The global wireless M2M market;
The key achievements of our Company in the 2013 financial year;
and
Our strategic priorities and expectations for the year ahead.
The Company's move away from the consumer market to the global wireless M2M (or machine-to-machine) market is on track – but before I move on to talk about our design wins, industry partnerships and strategic distribution alliances, I'd like to give you some background on the size and scope of the global wireless M2M market.

M2M (or the INTERNET OF THINGS) is basically helping the world 'do more with less', and is being deployed across virtually every vertical industry sector worldwide.

M2M will be a real GAME-CHANGER. In the coming years, the way we manage energy, drive, shop and run businesses will all change as billions of smart meters, vehicles, sensors and other devices become connected. Today the number of devices, or 'THINGS', communicating through the Internet has already exceeded the number of humans using the Internet.

M2M is now the world's FASTEST growing technology – growing at a rate of 24% year-on-year to 2018 – and generating estimated annual revenues of almost a trillion dollars by the end of the decade.

By 2020, we expect 50 billion connected devices across virtually every vertical industry sector worldwide. Berg Insight 2013
Economist 2012; Hatton 2012

Ericsson, Qualcomm, CISCO IBSG
Our **M2M STRATEGY** is based on three key models:

- Carrier partnerships
- Project based design wins
- Channel distribution partners
The wireless M2M market has become a **KEY FOCUS area for telecommunications carriers** worldwide as the mobile phone market reaches saturation. According to Vodafone, M2M is projected to generate **more annual revenue by 2020** than the annual revenue of the entire mobile phone industry, which currently represents 1.5% of global GDP.

Vodafone 2011
NetComm Wireless' carrier partners include:
Telstra
Vodafone Global Enterprise
Verizon Wireless in North America
Rogers & TELUS in Canada
Etisalat and Mobily in the Middle East
Telecom New Zealand
• In October last year, following a gruelling worldwide tender process, Vodafone Global Enterprise selected NetComm Wireless to design & build an M2M router for global deployment. First orders of the Vodafone MACHINELINK 3G were shipped for customer trials in May 2013 – and we expect volumes to increase substantially over the next two to five years with Vodafone currently targeting the top 1,500 companies worldwide.
We expanded our long-standing partnership with Etisalat Group, the Middle East’s leading telecommunications operator, to deliver wireless M2M technologies to vertical market customers across the Middle East, Asia and Africa.
Recently we announced our partnership with VERIZON WIRELESS to deliver wireless M2M devices throughout the U.S. Growing our position in the U.S. is our strategic priority, to further develop our presence in the North American market. Based on these key customer wins, we have gained a reputation as an INNOVATIVE DEVICE SUPPLIER – and this will help to pave the way to new relationships with other leading international telecommunications carriers.
We are also targeting the following **key M2M INDUSTRY VERTICALS**:

**Utility smart grids (electricity and water)**

**E-health** in respect of connected in-home devices which need central monitoring

**Business services**, including point of sale, digital signage and vending machines/kiosks

**Manufacturing and construction**

**Transportation ticketing**

**Business continuity**
One of NetComm Wireless’ main COMPETITIVE ADVANTAGES is our adaptable approach. Our open platform M2M products are built with the flexibility to support M2M projects across any industry.

Let me run you through a few of our current projects...
NetComm Wireless was **selected by Ericsson** to supply the 3G communication card for the rollout of **SMART METERS** in Victoria which will generate revenue of $12.5 million during FY14.

This is one of the **world's largest 3G smart meter deployments** and a good example of how different stakeholders work together to achieve a complete solution, for example:

- The Utility company (**SP Ausnet**)
- The Carrier (**Telstra**)
- The Meter provider, (**Landis & Gyr**)
- The Network management (**Ericsson**)
- The Software system (**Grid Net**)

And the 3G communications card - **NetComm Wireless**.

As well as providing cost and efficiency benefits to utility companies the end user also stands to benefit with trials showing that people who have smart meters reduce their usage by 3-13%.
Another example CUBIC TRANSPORTATION Systems selected NetComm Wireless to develop 3G M2M Wi-Fi routers for the NSW State Government’s $1.2 billion electronic ticketing project, which is now underway with devices starting to be deployed for the state’s trains, buses and ferries.
Another... SOUTH EAST WATER, a water retailer owned by the Victorian Government, is successfully deploying NetComm Wireless’ 3G M2M devices to remotely monitor and control pressure sewer stations across Victoria.

With a lag between contract and delivery, we anticipate that volumes from these contracts and others in the pipeline will build substantially in fiscal 2015 and beyond.
Over the past year we have **EXPANDED our distribution partners** by joining forces with experienced, established and respected channel partners to help **extend our reach into new geographies and vertical markets**.
Our COAT-TAILS strategy of working with key suppliers and ecosystem players allows us to:
- Reduce expansion risk
- Capture global opportunities
- Leverage their knowledge, contacts and reputation within key verticals
BUSINESS CONTINUITY is another key focus area. Keeping the Internet connection up and running has become more critical than ever as businesses become more automated and dependent on the Internet. Between 2010 and 2012 there was a 38% increase in the cost of downtime with the average cost of an hour of business of midsize companies hitting $138,000.

We have therefore developed a SOLID PORTFOLIO of high-speed 3G/4G devices equipped with automatic failover to protect businesses from lost revenue, customer dissatisfaction and a breakdown of communications. Aberdeen Group
As you know, the NBN rollout is behind schedule, and this has had an effect on revenue – but we are CONFIDENT that the Ericsson NBN fixed wireless contract will begin to generate larger volumes and revenues in FY 15 and FY 16.
Our key product DIFFERENTIATORS include:
Customised solutions
Open systems architecture
Scalable production
Innovation
Our CUSTOMISED approach has allowed us to develop strong and enduring customer relationships. We can tailor our technologies to meet the specific needs of our customers in terms of functionality, packaging and branding. The cycle time to deliver a new customised product can take up to 12 months and so there is a gap between the initial agreement and when the revenue begins to flow.
Our wireless M2M technology runs on an OPEN PLATFORM and includes a SOFTWARE DEVELOPMENT KIT – giving NetComm Wireless a significant advantage over competitors that develop 'one size fits all' products.

Our M2M products can easily be adapted to support any business function in any industry - and have achieved “Axeda Ready” certification as one example, meaning they can deliver real time data analysis, management and control via any 3G network worldwide.
By using contract manufacturers in Asia, we have the ability to **SCALE our production with low incremental capital expenditure**. Rather than compete in high volume, low price, market segments, **our strategy is to develop high-performance specialised and customised devices for leading companies globally.**
We have a solid **31 year history of evolving ahead of network advances and market trends** to deliver a range of innovative first-to-market technologies – and for the **second year running** we have **WON prestigious industry and business awards for our commitment to innovation**:

- **2013 ACOMMS Award for Innovation**
- **2013 Australian Business Award for Business Innovation**
- **2013 Australian Business Award for Product Innovation**
- **2013 Australian Business Award for Best Industrial Product**
Examples of our most recent product innovations include:

The **Outdoor Router (NTC-30)** which is the first technology of its kind to extend wireless connectivity to rural and metro areas that lack fixed or wireless broadband. The device has now been successfully launched by: Telstra (Telstra Outdoor Gateway) and Mobily (NTC-30WV).
We have a clear STRATEGY and a dedicated M2M focus. We will continue to:
Expand our customer base in targeted overseas markets
Establish strategic partnerships
And win long-term contracts.
We are currently shipping to carriers and distributors in the US, Europe, Japan, the Middle East and Australia – and expect additional revenue and earnings growth from new contracts in fiscal year 2015.
We are pleased to reaffirm our previous guidance to the market, that for the financial year 2014, the company is on track. Thank you for your support and commitment.