

TELULAR[®]

January 2012

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Company Overview

Business Focus

Offering remote monitoring services that facilitate the exchange of actionable information

Business Segments



Target Markets

Security and Tank Level Monitoring

Office Locations

Chicago, Atlanta, Miami

Dividend

Increased regular quarterly dividend by 10% to \$0.11 in November 2011

Recent Acquisition

December 5th, 2011 announcement of SkyBitz acquisition



Recent Acquisition: SkyBitz

- On December 5, 2011, Telular announced the signing of a definitive merger agreement to acquire SkyBitz, leading provider of mobile resource management (“MRM”) solutions, such as trailer and container tracking
- Purchase price \$42 million ~8X trailing EBITDA
 - Comprised of \$35 million in cash and \$7 million in new shares of common stock
 - With \$30.0 million of debt financing at a low interest rate (<4%) and one million shares paid, deal structure allows for minimal dilution
 - Expected to close in 60-90 days pending FCC approval of license transfer
- SkyBitz business is a perfect fit as Telular’s third M2M offering
 - Wireless M2M solution
 - Large, recurring revenue base (45% of the total)
 - New vertical market (asset tracking)
 - Satellite communications expertise that may be applicable to TankLink
 - Plenty of growth opportunities, such as international expansion in 2012
 - Profitable and well managed business

Proven Telular Business Model

Growing Services Business

- 13% year-over-year growth in service revenue
- Two growing M2M business lines – soon to be three

Recurring Revenue Stream

- Service Revenue was 62% of total revenue
- Over 563,000 subscribers

Attractive Service Economics

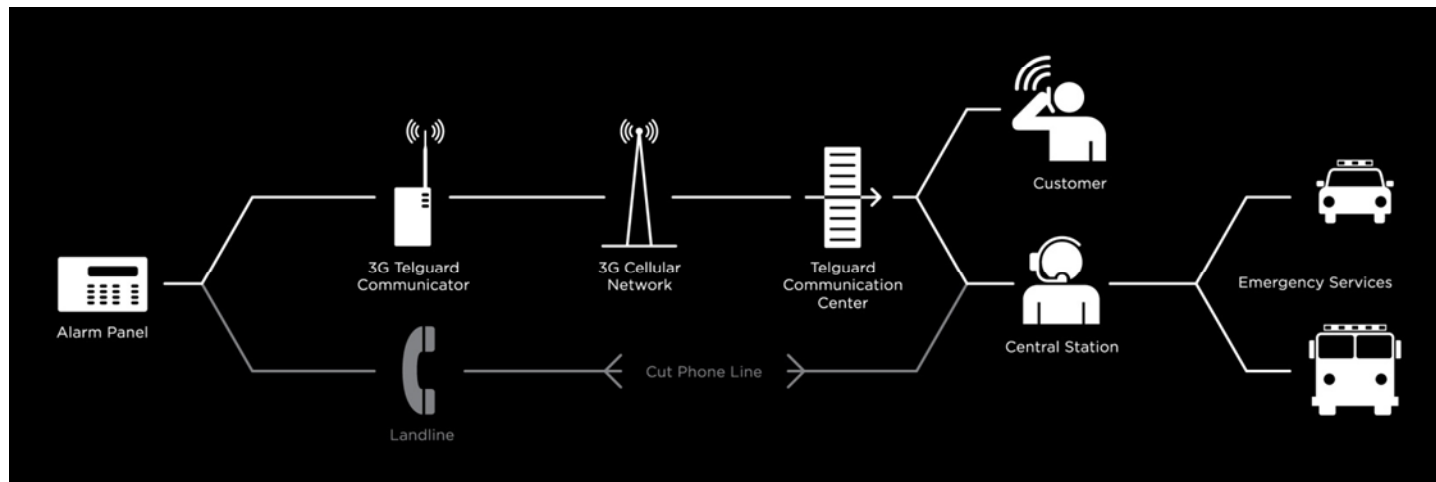
- Over 65% gross margin
- Customer acquisition costs covered by product sale

Reliable Profitability

- 21 consecutive quarters of profitability

*As of Q4 2011

Telguard Overview



- Represents 81% of Telular revenue in 2011
- Provides UL-Listed wireless alarm transport to security dealers
- Can serve as either a back-up or primary communication mode
- Combination of a one-time hardware sale and recurring monthly revenue
- Complete line of commercial and residential products
- Over 2,000 active dealers as of September 30, 2011 – up 30% over prior year

Addressable Security Market

Home Security Market

- 1 in 6 homes and 2 of 3 businesses (22 million total premises) have a monitored security system
- \$6.4 billion in recurring annual monitoring revenues
- Half of security market comprised of 5 major dealers, the other half are thousands of owner-operators

Cellular Communicator Sub-Market

- Approximately 15% overall penetration for cellular communicators of 22 million monitored premises
- More homes are “cell only” - 29.7% of households as of December 2010 have no landline
- HUGE penetration gains expected over next several years for cellular communicators

Telguard Unit Model



Low Cost of Sales

- Inside sales model with hardware sold via distributors
- Cost per new customer acquisition is \$37

Hardware ASP/Margin

- Hardware ASP of \$136 and GM of 37% = \$50 contrib.
- Profit covers cost per new customer acquisition

Customer Lifetime Value

- ARR of \$51 and GM of 70%
- Annual churn of 10%
- Lifetime value of customer is \$176

*As of Q4 2011

Competitive Advantages

Interfaces with All Panels
VS.

Honeywell

Interactive Works with All Panels
VS.



TELGUARD

Used by over 3,000 Dealers
VS.



Reliable Performance
VS.





TELGUARD O N L I N E

Welcome **Shawn Welsh**

Last login: 4/26/2011 10:42 AM Logout

English

Current Dealer / Company: SPW All Wireless Security (Hide Details...)

Dealer / Company Name	Dealer #	City	State	Contact Name	Email	Phone	Boarded
SPW All Wireless Security	6741	Atlanta	GA	Shawn Welsh	businessdevelopment@telular.com	6789457770	True

LOGGED IN DEALER MENU

- Home
- Customer Service
 - Dealer Approval Assignment
- Subscribers & Units
 - Subscriber/Unit Search
- My Settings
 - My Profile
 - Change Password
 - Email Change Confirmation
- Definitions and Terms
- Manuals
- Links
- FAQ

CURRENT DEALER MENU

- Subscribers & Units
 - Register Subscriber
 - Unit Template List
 - Create Unit Template
 - Alarm Events
 - Custom Field Name
- Online Users
 - User List
 - Create User
 - User Search
- User Roles
 - Role List
 - Create Role
 - Edit Role

JOIN TELGUARD ADVANTAGE TODAY!

ENJOY IMMEDIATE HARDWARE
DISCOUNTS & MUCH MORE...

CLICK FOR
MORE INFO



TELGUARD
ADVANTAGE

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UPDATED INSTALLATION ADDENDUM



FOR THE TG-7FS WHEN USED AS
SOLE PATH COMMUNICATION

LEARN
MORE



5/20/2011 3:51:36 PM

Innovation & Leadership



Nov. 2010: Telguard Interactive

- Remotely arm & disarm any alarm panel

Nov. 2010: Sole Path Fire Communications

- Eliminate all landlines for any commercial fire install

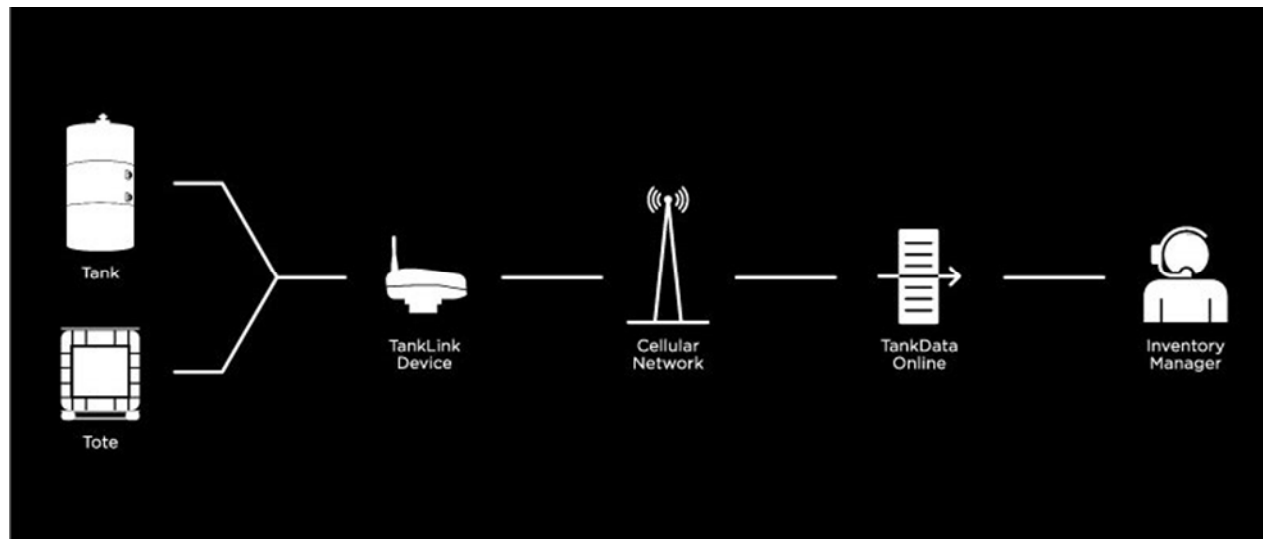
Aug. 2011: Two-way Voice Over GSM

- Enable voice verifications without landlines

Sep. 2011: 3G cellular communicators

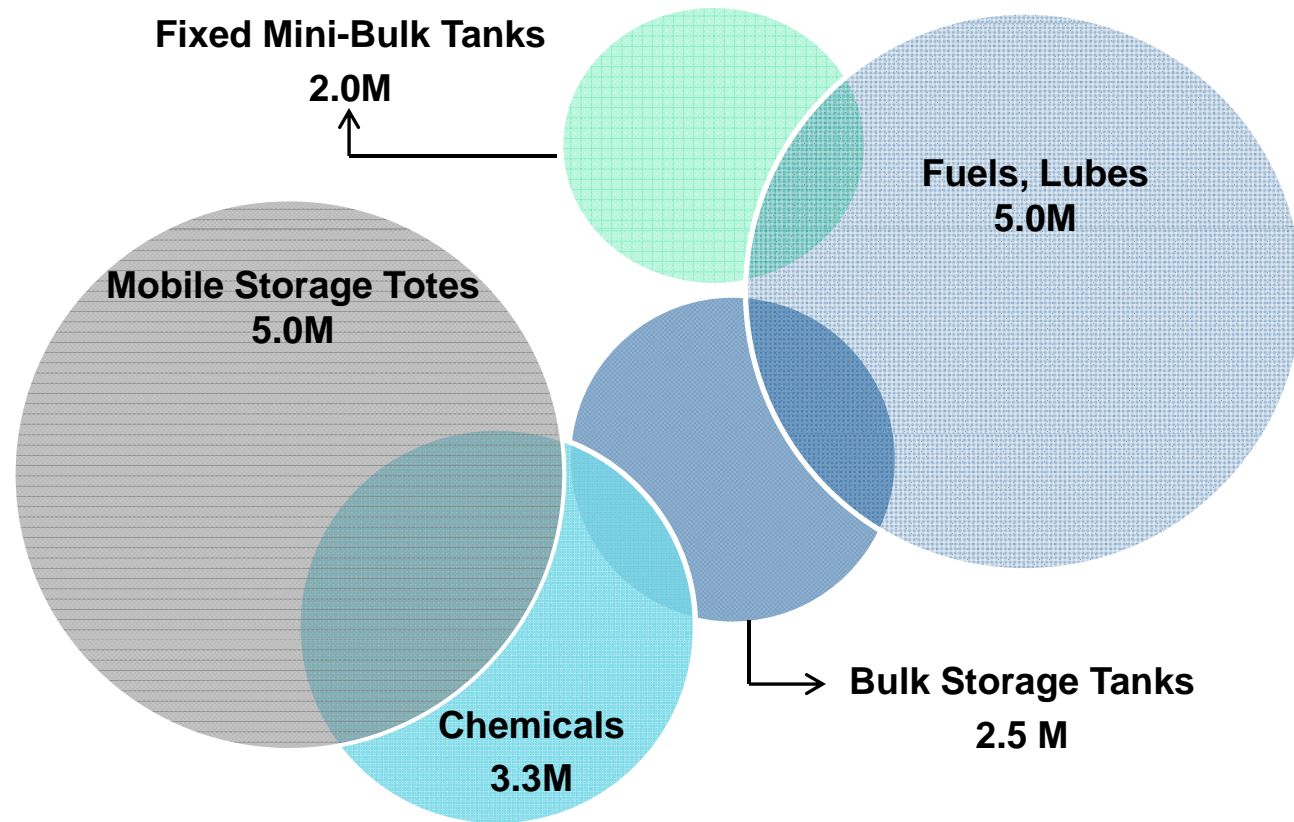
- First vendor to supply 3G to the security market

TankLink Overview



- Wireless monitoring of tank inventory levels for petroleum, propane & chemical industries
- Clients optimize inventory with “just-in-time” delivery
- Compliance with increasing environmental regulation to protect against spills
- Primary application for international is theft deterrent (shrinkage)

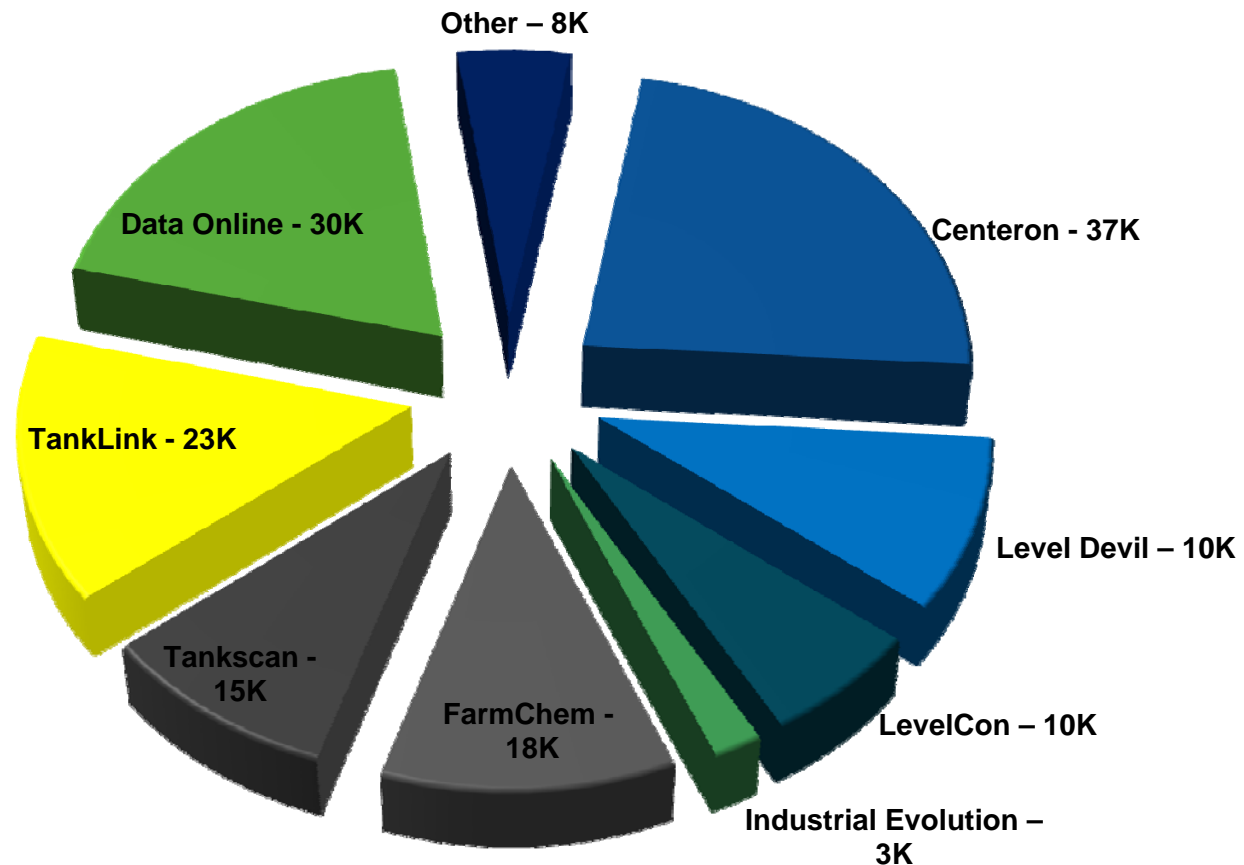
Addressable Tank Marketplace



Source: OGA report
Micro Matics
Mauser Tanks

U.S. Tank Monitoring Market

US Market ~ 160,000 tanks remotely monitored



Source: Telular estimates

TankLink Case Study: Fuel Delivery

Comparison of 1,000 Gallon Tanks: Easy to Demonstrate ROI

Metric For Comparison	Average Delivery Volume	Average Delivery Cost	Average Fuel Margin	Cost of Delivery Per Gallon	Net Profit per Gallon Delivered
OLD	400	\$45	15¢	11¢	4¢
Add TankLink		Twice the Volume		Add Efficiency	
More than Double the Profit					
NEW	800	\$45	15¢	6¢	9¢

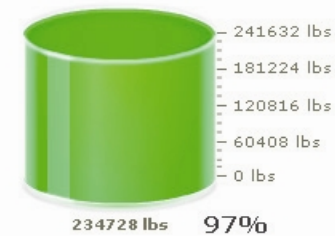
Tank Details

Organization:	Igloo Products	Cellular ID:	2057292013	Address:	777 Igloo Rd, Katy, TX - 77494
Name:	South Silo #5	Location:	Igloo South	Serial Number:	520040024
Number:	3	Product:	Polyethylene	Product SGU:	0.59268

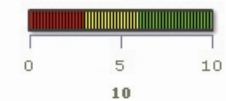
Tank Status

Inventory Time:	7/31/2009 11:21:36 AM
Primary Location Contact:	Not assigned
Alarm Status:	Fill Alarm
Comm Status:	Ok
Maintenance Status:	False
Sensor Status:	Ok
Level:	495.4 in
Inventory:	234728.5 lbs
Tank Type:	0 Standard Vertical Cylindrical Tank
Tank Height:	510.0 in
Tank Number:	3
Region:	----
Route:	----
User Defined:	
User Defined (B):	
Key Note:	

Tank Level



Signal Strength



Battery Level



Inventory (Last 35 Days)

Inventory Time:	7/31/2009 11:21:36 AM
Level:	495.4 in
Inventory:	234728.5 lbs
Net Inventory:	234728.5 lbs
Tank Capacity:	241632.2 lbs
Available Capacity:	6903.8 lbs
Est. Time to Low Alarm:	11 days
Est. Time to Critical Low Alarm:	12.9 days
Est. Time to Empty:	18.4 days



SkyBitz Overview

- SkyBitz is a leading provider of mobile resource management (“MRM”) solutions, such as trailer and container tracking
- 700 global customers, comprising 190,000 assets under management
- Patented Global Locating System (“GLS”) technology provides real-time visibility of remotely located assets
- Addresses huge market opportunity driven by complex supply chains and the need to reduce operating costs and comply with regulatory requirements
- 2010 revenue of \$30.5 million and adjusted EBITDA of \$4.3 million
- Projected 2011 revenue of \$35.0 million and adjusted EBITDA of \$5.0 million

Large Addressable Market

SkyBitz's N.A. addressable market is approximately 9-15MM units

- Commercial markets are assumed to be less than 10% penetrated with all sectors expecting growth in 2011-2015
- U.S. Gov't has mandated In-Transit Visibility via satellite

SkyBitz's total international market is approximately 20 – 30MM units

- The market is assumed to be only 2-3% penetrated
- Additional commercial markets will further increase the market opportunity

SkyBitz's Addressable Market (units in millions)



Vertical Market Opportunities

Oil, Gas & Chemical

- Material transport
- Theft prevention of field assets
- Asset utilization
- Billing and maintenance

Government

- Total asset visibility within military theatre & supply chain
- Container intrusion detection
- State and local asset tracking and management

Rail / U.S. Intermodal

- Rail car tracking
- Hazmat tracking
- High value cargo protection & tracking

Multimodal

- Over the water tracking of international containers
- Port Security
- Tracking into hinterland

Heavy Equipment

- Rental construction equipment tracking
- Preventative maintenance
- Optimized billing
- Theft prevention

Example SkyBitz Customers

TRUCKING



Fortune 5 Food
Consumer Products
Company



Fortune 5 General
Merchandisers
Company



OIL & GAS

CHEMICAL

GOVERNMENT

EQUIPMENT



Fortune 50
Chemicals
Company



The Army Division of a
Key NATO Member

Fortune 75
Construction
Company



SkyBitz's Future Growth Drivers

Best-of-Breed Technology

- SkyBitz's patented GLS technology is more efficient than GPS (faster and longer battery life)

Large Addressable Market

- N.A. market 12 MM units; International 27 MM units
- Opportunities in oil, gas, chemical, government, rail, container and heavy equipment

Government Sector

- Awarded General Services Administration contract
- Well positioned to expand in the government sector

Expanding Internationally

- Only 2-3% penetrated represents huge opportunity

New SAAS Applications

- Developing additional applications:
- Security, Refrigerated trailer monitoring, Preventative maintenance and Mobile media

Telular's Strong Cash Flow and Shareholder Return

- Consistent ability to generate operating cash flow
- Focus on shareholder return
 - Current management has returned \$22.6 million to shareholders in dividends through November 2011
 - Quarterly dividend represents a yield of approximately 6.1% at recent stock prices
- NOL Tax Benefits
 - Substantial NOL's result in approximately 5%-6% of cash income tax expense
- With net income before non-cash items for fiscal 2012 estimated at \$11.0-\$12.0 million, *we expect to grow cash balances while funding the dividend*

Experienced Management Team

Name	Responsibility	Experience	Background
Joseph Beatty	President & CEO	+26 years	<ul style="list-style-type: none"> • Telecom industry veteran • CFO, Telular • President & CEO, Concourse Comm. • CFO, Focal Comm. Corp.
Jonathan Charak	SVP & CFO	+20 years	<ul style="list-style-type: none"> • Cross functional business experience • CFO, Vanderbilt Financial • CFO, Concourse Comm.
Betsy Bernard	Board Chair	+30 years	<ul style="list-style-type: none"> • Former President, AT&T Corp.

Board of Directors:

Brian Clucas
 Lawrence Barker
 Brian McCarthy
 Larry Ford
 Joseph Beatty
 Betsy Bernard
 Jeffrey Jacobowitz



Key Investment Highlights

Innovative M2M wireless services that drive subscriber growth and recurring revenues

Consistent year-over-year growth of services revenue

Scale creates further leverage, thereby improving margins

21 Consecutive quarters of profitability

Strong cash flow generation and regular dividend

Both organic growth and selective acquisitions