TOTAL TELCOM INC.

Price (July 17, 2009)	**$0.11**
52-Week Range	**$0.21 - $0.09**
Shares O/S	**24.7 million**
Market Cap	**$2.7 million**
50-day Average Volume	**26,100**
200-day Average Volume	**16,100**
Fiscal Year-End	**June 30**
Symbol	**TSX-V: TTZ**
Website	**www.totaltelcom.com**

Source: www.bigcharts.com

Financial Data (CAD$)

Selected Income/Cash Flow	Year End	Year End	Last 12 mos
(CAD$ 000s)	6/30/2007	6/30/2008	3/30/2009
Revenues	$1,329	$907	$1,255
Gross Profit	$521	$378	$573
EBITDA	($141)	($247)	($49)
Net Loss, Continuing	($233)	($423)	($321)
Cash Flow (CF)	$136	($75)	($220)
Selected Balance Sheet			
Cash & ST Investments	$4,822	$4,640	$4,946
Total Debt	$0	$0	$0
Shareholders' Equity	$7,070	$7,203	$7,054
Total Assets	$7,386	$7,959	$7,150
Working Capital	$5,106	$5,878	$5,504
Working Capital Ratio	17.16x	8.77x	58.14x
Key Ratios			
Gross Margin	39.2%	41.7%	45.6%
R&D/ Revenue	23.0%	49.4%	43.3%
Sales growth (Y over Y)	114.3%	(31.8%)	38.4%
Per Share Statistics			
Revenue	$0.05	$0.04	$0.05
Gross Profit	$0.02	$0.02	$0.02
Net Loss	($0.01)	($0.02)	($0.01)
Cash Flow	$0.01	($0.00)	($0.01)
Cash Per Share	$0.20	$0.19	$0.20
Shareholders' Equity	$0.29	$0.29	$0.29
R&D	$0.01	$0.02	$0.02
Multiples			
Price / Revenue	3.09x	4.63x	2.17x
Price/ Gross Profit	8.07x	11.11x	4.75x
Price / Cash	0.85x	0.91x	0.55x
Price / Book	0.58x	0.58x	0.39x

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Note: Report was prepared with public information only.

THE COMPANY

Total Telcom Inc. (“Total Telcom” or the “Company”), through its wholly owned subsidiary, ROM Communications, specializes in developing and providing monitoring/tracking for fleet management, marine vessels, municipal water management and oil and gas solutions. ROM Communications was originally the R&D department of Total Telcom, in its original formation as a provider of turnkey solutions for the development of fibre-optic infrastructure. It became the sole operating unit after the Company disposed of its fibre-optic operations in the U.S.A. in 2001 and in Canada in 2006.

INVESTMENT PERSPECTIVES

- The recent introduction of its RomTraX product on Canadian Coast Guard units should add to its sales mix, improve margins, and increase product diversification.
- Steady growth in installation services should increase recurring revenues going forward.
- The Company has begun leasing its hardware, which increases its potential customer base to customers that may not have the resources for upfront fees associated with the Company’s large projects.
- Strong liquidity to fund future growth and product development as the Company currently has around $4.5 million in cash.

OPERATIONS

Total Telcom's core business is developing, manufacturing, and marketing two products that have the capability for tracking and monitoring mobile assets.

(1) MicroCom – A device that has the ability to track, monitor, and remote control several types of assets. The device can be customized for use in several functions including fleet asset management and municipal water monitoring.

(2) RomTraX – Launched in 2008, it provides mobile asset/resource management systems for marine applications. The first installation was on a Canadian Coast Guard icebreaker.

FINANCIAL REVIEW

Revenues and Margins

Revenues occur in two ways: (1) Hardware installations of the MicroCom or RomTraX devices; and (2) Monthly communication fees. Hardware installations make up a larger portion of its profitability. The hardware operations are project based and are more volatile than generating communication fees. However, communication fees are recurring revenue streams with higher margins than hardware installations.

	CDN	USA	Total Revenue	Gross Income	Gross Margin
2009					
q3	80.8%	19.2%	208	122	58.7%
q2	85.6%	14.4%	350	189	53.9%
q1	86.3%	13.7%	465	230	49.6%
2008	**77.5%**	**22.5%**	**907**	**378**	41.7%
q4	81.3%	18.7%	232	32	13.7%
q3	78.4%	21.6%	292	153	52.5%
q2	80.4%	19.6%	244	124	50.7%
q1	64.0%	36.0%	138	69	50.1%
2007	**36.0%**	**64.0%**	**1,329**	521	39.2%
q4	12.8%	87.2%	359	144	40.2%
q3	37.1%	62.9%	435	165	37.9%
q2	25.3%	74.7%	337	112	33.1%
q1	93.6%	6.4%	199	100	50.4%
2006	**66.2%**	**33.8%**	**620**	311	50.1%
Averages			296	130.87	44.4%

To date, the Company has relied primarily on large project-based hardware installs. In Q1 and Q2 in F2009, revenue consisted largely of a contract for fleet management systems with an oilfield services company.

In F2008, The Company shifted its focus towards higher margin, lower volume projects.

With the addition of RomTraX, coupled with sales-leasing, we expect the 3-year revenue growth to F2012 to be in the 30-40% range, down from their more than 100% rate in the previous 3-year period, but more in line with its comparables.

With the exception Q4/F2008, when the RomTraX product was introduced, gross margins have shown an increasing trend. We expect overall gross margins to average in the 50-55% range.

Product Development and Liquidity

	R+D	% of Rev	Beginning of Period Cash	% of Beg. Cash
2009				
q3	86	41.6%	4,969	2%
q2	101	28.7%	5,231	2%
q1	101	21.7%	4,640	2%
2008	**448**	49.4%		
q4	256	109.9%	4,730	5%
q3	60	20.6%	4,715	1%
q2	60	24.6%	4,813	1%
q1	72	51.9%	4,822	1%
2007	**305**	23.0%		
q4	106	29.7%	4,872	2%
q3	67	15.4%	4,928	1%
q2	66	19.5%	4,918	1%
q1	66	33.3%	5,021	1%
2006	230	37.1%		

The Company's main capex is spent on product development, which has been well covered by its available cash. Cash resources increased slightly in Q4/2008 as a result of the RomTraX rollout, and then again in Q2/F2009 when the contract for fleet management services was completed.

Total Telcom's cash position grew out of the divesture of the Canadian fibre-optic division in 2006 for $4.7 million. This provides strong liquidity as the Company has no indebtedness and modest short-term liabilities. We expect future research and development expenditures will continue to be well financed with available cash.

FINANCIAL STATEMENTS

We show on the final page of this report abridged financial statements for the Company.

INDUSTRY & COMPARABLES

In 000s	Datacom Wireless Corp	DDS Wireless International	Wireless Matrix Corp *	Total Telcom
Ticker	DAT.v	DD.t	WRX.t	TTZ.v
Price, July 16	$0.085	$1.10	$0.96	$0.11
Shares O/S	27,951	13,790	82,394	24,715
Mkt Cap	$2,376	$15,169	$79,098	$2,719
YE	31-Dec	31-Dec	30-Apr	30-Jun
Latest Quarter	31-Mar	31-Mar	31-Jan	31-Mar
Revenues				
F2009, 12 mos	$8,919	$33,606	$37,959	$1,255
3 yr growth	23.0%	42.3%	52.3%	102.4%
Gross Profit				
F2009, 12 mos	$4,212	$15,624	$21,650	$573
3 yr growth	41.5%	27.5%	82.1%	21.7%
Gross margin				
F2009, 12 mos	47.2%	46.5%	57.0%	45.6%
3 yr average	43.0%	48.4%	52.9%	44.2%
R&D				
F2009, 12 mos	$549	$6,111	$6,264	$543
3 yr growth	79.3%	69.6%	60.1%	114.1%
Multiples:				
P/Sales	0.27x	0.45x	2.08x	2.17x
P/Gross Profit	0.56x	0.97x	3.65x	4.75x
P/Cash	0.74x	20.66x	4.41x	0.55x
P/Book	0.66x	0.60x	2.42x	0.39x

* Denominated in US dollars

The industry of asset tracking/monitoring is highly fractured with operators of varying sizes. The custom nature of Total Telcom's MicroCom hardware faces competition across many sectors. We have selected three companies traded on the TSX and Venture exchanges, for comparison to Total Telcom.

- Revenue and R&D growth: All companies have been positive over a 3-year period, with Total Telcom leading the pack, albeit growing from a lower level.
- Total Telcom is behind the others in gross profit, but taken on a 3-year average, they fall within range of the other companies. All of these companies have faced net losses.
- Total Telcom's multiples display mixed messages depending on the metric. Income-based multiples for the Company are the highest of the group, while balance sheet multiples show Total Telcom as the lowest valuation.

BOARD OF DIRECTORS

Neil Magrath Director & CEO, 2000. Owns 2,281,106 shares.
Scott Allen Director & CFO, 2004. Owns 1,244,875 shares.
Lawrence R Cunningham Director, 1995. Owns 43,000 shares. Barrister & Solicitor at Hustwick Hodgson & Payne
D. Randy Hayward Director, 2007. No Shares held. Acting CEO at Poly Pacific International.
Michael D. Jenks Director, 2009.

There have been no insider purchases or sales of Total Telcom in 2009.

CORPORATE INFORMATION

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SELECTED FINANCIAL INFORMATION	Year End June 30 2006	Year End June 30 2007	Year End June 30 2008	TTM Mar 30 2009
Statement of Income/(Loss):				
Sales	620,049	1,328,698	906,584	1,254,841
Cost of Sales	309,456	808,179	528,487	682,020
General and Administration	625,917	661,876	625,534	621,330
EBITDA	**(315,324)**	**(141,357)**	**(247,437)**	**(48,509)**
Depreciation & Amortization	309,465	284,908	348,041	398,568
EBIT	(624,789)	(426,265)	(595,478)	(447,077)
Other Operating Income/(Expenses	105,700	192,937	172,686	125,742
Interest Expense				-
Income before non-recurring	**(519,089)**	**(233,328)**	**(422,792)**	**(321,335)**
Future Income Tax				-
Gains/Loss on Disposals/Write-off	(273,750)			-
Income from Continuing Ops	**(792,839)**	**(233,328)**	**(422,792)**	**(321,335)**
Income/Loss from Discontinued, n	(4,424,333)	-	734,990	734,990
Net Income/(Loss)	**(5,217,172)**	**(233,328)**	**312,198**	**413,655**
				0
Total Shares Outstanding	24,715,008	24,715,014	24,715,014	24,715,014
Weighted Average Shares O/S	24,715,008	24,715,014	24,715,014	24,715,014
Earnings (Loss) Per Share*	($0.03)	($0.01)	($0.02)	($0.01)
Statement of Cash Flow:				
Net Income from Cont. Ops (Loss	(792,839)	(233,328)	(422,792)	(321,335)
All Non-Cash Items	587,967	369,058	348,041	101,544
				-
Cash Flow from Operations	**(204,872)**	**135,730**	**(74,751)**	**(219,791)**
Capital Expenditures				-
Product Development	(230,299)	(304,945)	(447,617)	(543,251)
Purchase of Equipment	(23,382)		(10,568)	(36,453)
Acquisition/Dispositions				-
Other Investing Items		-	150,000	1,004,990
Free Cash Flow	**(458,553)**	**(169,215)**	**(382,936)**	**205,495**
Cash provided by disc. Ops	2,582,619			-
Working Capital Changes	100,579	(30,021)	201,186	10,472
Equity Financing	-	-	-	-
Debt Financing/Capital Leases		-	-	-
Change in Cash	**2,224,645**	**(199,236)**	**(181,750)**	**215,967**
Cash, Beginning of the Period	2,796,639	5,021,284	4,822,048	4,730,481
Cash, End of the Period	5,021,284	4,822,048	4,640,298	4,946,448
	June 30 2006	June 30 2007	June 30 2008	Mar 30 2009
Balance Sheet:				
Cash	5,021,284	4,822,048	4,640,298	4,946,448
Short-term Investments				
Other Current Assets	405,434	600,257	1,994,886	653,919
PP&E	99,984	63,405	42,669	63,843
Intangible Assets	1,094,088	1,150,704	1,281,584	1,273,102
Other Assets	750,000	750,000	-	212,604
Total Assets	7,370,790	7,386,414	7,959,437	7,149,916
Bank Debt, including Current Portion			0	
Accounts Payable	93,230	259,285	737,964	78,027
Deferred Revenue	58,027	56,774	18,920	18,293
Other Current Liab	0			
Other liab	0			
Long-term Debt/Capital Leases				
Total Liabilities	151,257	316,059	756,884	96,320
Shareholders' Equity	7,219,533	7,070,355	7,202,553	7,053,596
Total Liabilities & Equity	7,370,790	7,386,414	7,959,437	7,149,916
Book Value (S.E.) Per Share	$0.29	$0.29	$0.29	$0.29

* Recurring Earnings

Source: *e* Research