



World Reach Limited
ABN 39010 568 804

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29 October 2008

The Manager
Company Announcements Platform

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Announcement for Immediate Release

Appendix 4C Report

RESULTS FOR THE 3 MONTHS TO 30 September 2008

The Company encloses its Appendix 4C report for the 3 months to 30 September 2008.

The report shows a positive increase in cash for the period of \$142,000 made up of a deficit of \$358,000 from operations offset by receipts of \$500,000 from non trading activities.

Considerations of the September Quarter Cashflow Report include;

- Sales for the quarter were \$3.6M in line with budget projections.
- The deficit of \$358,000 from operations was after excluding deposits in advance totaling \$648,000 received in the previous quarter which related to contracts delivered in the September quarter.
- Non trading receipts in the quarter were the receipt from Brennan of \$150,000 being further part payment from the sale of the Networks Services business from March 2008 and \$350,000 received from the completion of the convertible note issue.
- The company had undrawn bank facilities of up to \$1,000,000 at the close of the quarter.

Financial outlook for the December quarter;

- Final payment following settlement with Brennan for the sale of the Networks Services business from March 2008, \$45,000 received on 22nd October 2008.
- Sales for the December quarter are expected to be lower than the previous quarter, as the company has not budgeted for the delivery of major sales contracts in the period prior to Christmas.
- The company will issue a Quarterly Investors update shortly.

Yours faithfully

A handwritten signature in black ink, appearing to read "John McCormack". The signature is fluid and cursive, written over a white background.

John McCormack
Company Secretary

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000.

Name of entity

World Reach Limited

ABN

39 010 568 804

Quarter ended ("current quarter")

30 September 2008

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from customers	3960	3960
Less customer deposits received in prior year	<u>(648)</u>	<u>(648)</u>
	3312	3312
1.2 Payments for		
(a) staff costs	(890)	(890)
(b) advertising and marketing		
(c) research and development		
(d) leased assets		
(e) other working capital		
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	1	1
1.5 Interest and other costs of finance paid	(115)	(115)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
- Operating Purchases	(2604)	(2604)
- Rent	(26)	(26)
- GST (Net)	(36)	(36)
- Other		
Net operating cash flows	(358)	(358)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (3 months) \$A'000
1.8 Net operating cash flows (carried forward)	(358)	(358)
Cash flows related to investing activities		
1.9 Payment for acquisition of: (a) businesses (item 5) (b) equity investments (c) intellectual property (d) physical non-current assets (e) other non-current assets		
1.10 Proceeds from disposal of: (a) businesses (item 5) (b) equity investments (c) intellectual property (d) physical non-current assets (e) other non-current assets	150	150
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other		
	150	150
Net investing cash flows		
1.14 Total operating and investing cash flows	(208)	(208)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc. – Funds raised via Convertible Notes Issue	350	350
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings		
1.19 Dividends paid		
1.20 Other		
	350	350
Net financing cash flows		
Net increase (decrease) in cash held	142	142
1.21 Cash at beginning of quarter/year to date	282	282
1.22 Exchange rate adjustments to item 1.20		
	424	424
1.23 Cash at end of quarter		

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	385
1.25	Aggregate amount of loans to the parties included in item 1.11	NIL
1.26	<p><u>Explanation necessary for an understanding of the transactions</u> The amount shown in 1.24 included payment of Directors fees accrued from prior periods totalling \$189,000 and \$100,000 of accrued incentive payments related to year ended 30th June 2008.</p>	

Non-cash financing and investing activities

2.1	Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows	NIL
2.2	Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest	NIL

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities – Bank overdraft	1000	-
3.2	Credit standby arrangements	NONE	NONE

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Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	424	647
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details) Bank overdraft	-	(365)
Total: cash at end of quarter (item 1.23)	424	282

Acquisitions and disposals of business entities

	Acquisitions (Year to date) <i>(Item 1.9(a))</i>	Disposals (Year to date) <i>(Item 1.10(a))</i>
5.1 Name of entity		Network Services division
5.2 Place of incorporation or registration		World Reach Limited is registered in Melbourne
5.3 Consideration for acquisition or disposal		\$150,000 part receipt. Receipts since 1/3/08 \$896,000. (Balance received 22/10/08).
5.4 Total net assets		\$1,065,000 net being 100%.
5.5 Nature of business		Communications

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
 - 2 This statement does give a true and fair view of the matters disclosed.
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John McCormack – Company Secretary 29 October 2008.

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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