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The Manager  
Company Announcements Platform  
Australian Securities Exchange

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INVESTOR UPDATE - PROFIT GUIDANCE

The Company reported a profit of \$727K on sales of \$5.4M for the six months ended 31 December 2008 after including profits of \$192K arising from the sale of the Network Services business in a prior period and foreign exchange gains of \$242K.

As announced previously the level of sales subsequent to the 31 December 2008 has been lower than the prior period and the Company's budget forecasts. This reduction in sales has been due to the announcement of a new handset by Iridium in October 2008 which was not released to the market until December 2009 for which accessories developed and sold by Beam have only just become available and the general deterioration in the world economy.

Profit margins have also been reduced due to exchange rate variations.

The Company has completed its management accounts to the 30 April 2009 and carefully reviewed sale projections, margins and overhead expenditure for May and June 2009.

The Company is now forecasting a result for the six month period to 30 June 2009 of between a profit of \$20K and a loss of \$120K on estimated sales between \$3.5M and \$3.9M. The above result is after including foreign exchange losses of \$100K during the period.

The forecast profit for the year ended 30 June 2009 is between \$747K and \$607K on estimated annual sales between \$9.3M and \$8.95M and is after including foreign exchange gains of \$142K and profits of \$200K attributable to the business that was sold in the prior year.

We emphasise that the above forecasts are based on unaudited management accounts and forecast sales and expenses for May and June which may vary due to the timing of acceptance and delivery of sales orders and foreign exchange fluctuations.

The Company's accessory products to support the new Iridium handset have been well accepted by the market and there are indicators of a build up in customer demand for these products as the new Iridium handset gains increased market penetration.

World Reach has continued to invest in research and engineering of future products to widen its product base and will shortly be releasing another key accessory product for the Iridium 9555 handset, Beam PotsDOCK a new and innovative product that allows standard corded and cordless telephone handsets to be used in conjunction with new handheld device.

We are also negotiating a significant initial order from a new customer in Asia and continuing discussions with other global satellite communication providers to develop specialty products to support equipment utilised by their customers.

Yours faithfully,



Tony Bigum  
Chairman