

29 January 2010

The Manager
Company Announcements Platform
Australian Securities Exchange Limited

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Company Report (Appendix 4C)

Enclosed is the Quarterly Report (Appendix 4C) for the 3 months to 31 December 2009.

Net cash decreased during the quarter by \$204K almost all of which was expended in the course of normal trading operations. An export market development grant of \$50K was received being the initial receipt under the 2008/09 scheme.

Operations for the Quarter

Sales for the quarter were \$2.2M which was above budget and an increase of 16% over the previous quarter. The sales result benefited from the delivery to Telstra of most of a major order for SatDOCK in-vehicle hands free kits and handsets (which was announced to the market on 16 December).

Gross margins on sales however were below budget due to reduced A\$ amounts received from sales in US currency as a consequence of a strengthening A\$ and the impact of bundling Iridium handsets with accessory products as part of a promotional offer. The effect of these two factors on gross margins and the weakness in the global economy was such that the Company may record a small loss for the December quarter.

The net cash position at the 31 December 2009 was a net overdrawn balance of \$521K which is well within the Company's banking arrangements which provide overdraft facilities of up to \$1M.

Immediate Outlook

The Company is continuing to seek further opportunities for the development of additional products and new services in the satellite communications sector. Customer interest in Beam Communication's (100% subsidiary) recently released accessory products for Iridium Satellite handsets continues to improve and there are also indications that the North American market is gradually recovering in confidence.

Achievement of budgeted expectations for the second half of the financial year will be dependent on resumption of normal gross profit margins and increases in sales of new products and services.

Yours faithfully



Michael Capocchi
Managing Director

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")

31 December 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers (including deposits)	2192	3717
1.2 Payments for (a) staff costs (b) advertising and marketing (c) research and development (d) leased assets (e) other working capital	(530)	(1140)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	(64)	(119)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
- Operating Purchases	(1891)	(2830)
- Rent	(29)	(59)
- GST (Net)	70	128
- Other (Export MD Grant)	50	50
Net operating cash flows	(202)	(253)

+ 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 (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	(202)	(253)
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	-	-
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other		
Net investing cash flows	-	-
1.14 Total operating and investing cash flows	(202)	(253)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc. - Share Buyback cheques presented:	(2)	(9)
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		
Net financing cash flows	(2)	(9)
Net increase (decrease) in cash held	(204)	(262)
1.21 Cash at beginning of quarter/year to date	(317)	(259)
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	(521)	(521)

+ 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	95
1.25	Aggregate amount of loans to the parties included in item 1.11	NIL

1.26 Explanation necessary for an understanding of the transactions

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	891
3.2	Credit standby arrangements	NONE	NONE

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
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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	370	325
4.2 Deposits at call	-	-
4.3 Bank overdraft	(891)	(642)
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	(521)	(317)

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		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

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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Michael Capocchi – Managing Director 29 January 2010.

+ 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.

+ See chapter 19 for defined terms.