

30 April 2010

The Manager  
Company Announcements Platform  
Australian Securities Exchange Limited

World Reach Limited  
ABN 39010 568 804

5 / 8 Anzed Court, Mulgrave,  
Victoria, Australia 3170

T +61 3 8561 4200  
F +61 3 9560 9055  
E: info@worldreach.com.au

**Company Report (Appendix 4C)**

Enclosed is the Quarterly Report (Appendix 4C) for the 3 months ended 31 March 2010.

During the quarter the company achieved a net increase in cash from operations of \$161K and a net increase in cash from investment/financing activities of \$85K which resulted in an overall net increase in cash of \$246K. The net cash position at 31 March 2010 was a net overdrawn balance of \$275K which is well within the Company's banking facilities which provide for an advance of up to A\$1m.

**Operations for the Quarter**

Notwithstanding the slow recovery in the market, particularly in the USA as a consequence of the global financial crisis the Company achieved sales revenue of \$2.0m for the quarter which exceeded the budget projections. However gross margins on sales were lower than budget forecasts due to the effect of a major promotional sale to Telstra which included handsets acquired directly from Iridium with a low gross margin and the continued strength in the A\$ which reduces the amounts received by the Company for sales denominated in US\$.

As a consequence of the reduced gross margins on sales the Company will incur a small loss for the period.

**Outlook**

The sale of accessory products for Iridium handsets is improving gradually in North America and Europe and the Company anticipates achieving its budget revenue projections for the June quarter. However the strength of the A\$ will continue to adversely affect the level of gross margins that can be achieved on US\$ denominated sales and the Company is anticipating a further small loss for the June quarter.

The Company has committed substantial resources to the development of compatible docking units and other accessories to hand held satellite phones which will be released to the world market by Inmarsat PLC in the September quarter. As previously announced to the market Inmarsat has agreed to provide loan funds in excess of \$3.0m for the development and marketing of these products by Beam with the loans to be repaid from product sales by Beam

The Company anticipates that it will achieve substantial sales at acceptable margins of accessory products for Inmarsat satellite phones commencing during the September quarter.

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 March 2010**

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date ( 9 months) \$A'000
1.1 Receipts from customers (including deposits)	2665	6210
1.2 Payments for (a) staff costs (b) advertising and marketing (c) research and development (d) leased assets (e) other working capital	(505)	(1645)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	(65)	(184)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
- Operating Purchases	(1867)	(4641)
- Rent	(41)	(100)
- GST (Net)	(26)	103
- Other (Export MD Grant)	-	50
<b>Net operating cash flows</b>	<b>161</b>	<b>(207)</b>

+ 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 ( 9 months) \$A'000
1.8 Net operating cash flows (carried forward)	<b>161</b>	<b>(207)</b>
<b>Cash flows related to investing activities</b>		
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	(409)	(465)
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		
	(409)	(465)
<b>Net investing cash flows</b>		
1.14 <b>Total operating and investing cash flows</b>	<b>(248)</b>	<b>(672)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc. - Share Buyback cheques presented:	-	(9)
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings – loan drawdown from .....Inmarsat for product development.	494	665
1.18 Repayment of borrowings		
1.19 Dividends paid		
1.20 Other		
	<b>494</b>	<b>656</b>
<b>Net financing cash flows</b>		
<b>Net increase (decrease) in cash held</b>	<b>246</b>	<b>(16)</b>
1.21 Cash at beginning of quarter/year to date	(521)	(259)
1.22 Exchange rate adjustments to item 1.20		
	<b>(275)</b>	<b>(275)</b>
1.23 <b>Cash at end of quarter</b>		

+ 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	624
3.2	Credit standby arrangements	NONE	NONE

+ See chapter 19 for defined terms.

**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	349	370
4.2 Deposits at call	-	-
4.3 Bank overdraft	(624)	(891)
4.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.23)	<b>(275)</b>	<b>(521)</b>

**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.
- 



Michael Capocchi – Managing Director    30 April 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.