

28 January 2011

The Manager
Company Announcements Platform
Australian Securities Exchange Limited

Company Report (Appendix 4C)

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

There was a net increase in cash balances for the quarter of \$401K comprising a net decrease in cash from operations of \$148K offset by a net increase in cash from investment/financing activities of \$549K.

The cash position at 31 December 2010 was a net in funds balance of \$114K including a term deposit of \$500K that is held as a security for the Company's overdraft facilities of \$1m.

Operations for the Quarter

Sales revenue for the quarter was \$1.7m. The volume of Iridium based sales was lower than 2009/10 levels and Beam was not able to complete delivery of all back orders for Inmarsat IsatDock docking units by 31 December. Consequently revenue was lower than budget projections.

Gross margins were also lower than budget due to the strength of the A\$ and a loss for the period was recorded. A Market Update was released on 23 December 2010 containing additional information.

Outlook

The Company is presently fulfilling substantial IsatDock back orders taken prior to Christmas together with new orders received in January. March quarter sales of these products are expected to be on budget.

The second part of a major Telstra order was delivered in January and other sales of Iridium based products have also improved.

The Company has increased some selling prices to partially offset the adverse effect of the strong A\$ on gross margins of US\$ denominated sales.

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 2010

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)	2718	3949
1.2	Payments for (a) staff costs (b) advertising and marketing (c) research and development (d) leased assets (e) other working capital	(381)	(979)
1.3	Dividends received	-	1
1.4	Interest and other items of a similar nature received	-	1
1.5	Interest and other costs of finance paid	(76)	(136)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	- Operating Purchases	(2373)	(3742)
	- Rent	(36)	(72)
	- GST (Net)	-	134
	- Other	-	-
Net operating cash flows		(148)	(845)

+ 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)	(148)	(845)
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	(6) (299)	(21) (797)
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	-	7
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other		
	(305)	(811)
Net investing cash flows		
1.14 Total operating and investing cash flows	(453)	(1656)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc. - Share Buyback cheques presented:	-	-
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings – loan drawdown fromInmarsat for product dev./working cap.	854	2140
1.18 Repayment of borrowings		
1.19 Dividends paid		
1.20 Other		
	854	2140
Net financing cash flows		
Net increase (decrease) in cash held	401	484
1.21 Cash at beginning of quarter/year to date	(287)	(370)
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	114	114

+ 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	98
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	949
3.2 Credit standby arrangements	NONE	NONE

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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	1063	655
4.2	Deposits at call	-	-
4.3	Bank overdraft	(949)	(942)
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		114	(287)

Acquisitions and disposals of business entities

	Acquisitions (Year to date) (Item 1.9(a))	Disposals (Year to date) (Item 1.10(a))
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 28 January 2011.

+ 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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