World Reach Limited
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28 February 2012

The Manager
Market Announcements Platform
Australian Securities Exchange

Appendix 4D – Half Year Report

The Company hereby encloses the Appendix 4D – Half Year Report for the six months ended 31 December 2011.

Yours faithfully

Dennis Payne
Company Secretary

WORLD REACH LIMITED
ABN 39 010 568 804

Appendix 4D
Half Year Report
Half Year ended 31 December 2011

The information contained in this Appendix 4D should be read in conjunction with the most recent Annual Report covering the financial year ending 30 June 2011.

1. Reporting periods

Current reporting period	Half year ended 31 December 2011
Previous corresponding periods	Half year ended 31 December 2010
	Financial year ended 30 June 2011

2. Results for announcement to the market

$A

2.1	Total Revenue	Up 98.91% to	7,283,022
2.2	Profit (loss) from ordinary activities after tax attributable to members	Loss of 490,606 half year ended 31 December 2010	Profit of 217,743 half year ended 31 December 2011
2.3	Net profit (loss) for the period attributable to members	Loss of 490,606 half year ended 31 December 2010	Profit of 217,743 half year ended 31 December 2011
2.4	Dividends (distributions)	Amount per security	Franked amount per security
	Final dividend	NIL ¢	NIL ¢
	Interim dividend	NIL ¢	NIL ¢
	Previous corresponding period:		
	Final dividend	NIL ¢	NIL ¢
	Interim dividend	NIL ¢	NIL ¢
2.5	Record date for determining entitlements to the dividend	N/A	
2.6	EXPLANATION A diversified product range, following the development of 'ISatDock' docking units in 2010 and fixed terminal products in 2011 (both to suit the Inmarsat network) greatly benefited sales in 2011. In addition significant sales to NEC Australia, a new customer, as well as 'bundled' handset and accessory sales to Telstra boosted the period's revenues. Gross margins for standard products exceeded budget leading to the profit result for the half year which included an unrealised loss of $153,238 on a foreign currency loan. The negative effect of the high A$ on export sales denominated in US$ was partially countered by lower cost manufacture in China.		

3. Net Tangible Assets per security

	31 December 2011 Cents per share	30 June 2011 Cents per share
Net tangible assets per security	(0.1943) ¢	(0.4367) ¢

4. Details of entities over which control has been gained or lost during the period:

4.1 Name of the entity.	N/A
4.2 The date of the gain or loss of control.	N/A

	Current period	Previous corresponding Period
4.3 Where material to an understanding of the report – the contribution of such entities to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.	N/A	N/A

5. Individual and Total Dividend or Distribution Payments

Dividend or distribution payments:	Amount	Date on which each dividend or distribution is payable	Amount per security of foreign sourced dividend or distribution (if known)
N/A	N/A	N/A	N.A
Total			

6. Dividend or Distribution Reinvestment Plans

N/A

7. Details of associates and joint venture

Name of entity	% Holding	Aggregate Share of profit (losses)		Contribution to net profit	
		Current period	Previous correspon-ding period	Current period	Previous correspon-ding period
N/A					

8. Foreign entity accounting standards

N/A

9. Independent review of the financial report

The financial report has been independently reviewed. Whilst the financial report is not subject to a qualified independent review statement the auditor has drawn attention to the matters set out in Note 1 to the financial statements – Going Concern.

Signed by Chairman:

Name: Mr Anthony Peter Bigum
Date: 28 February 2012

World Reach Limited
and Controlled Entities

ABN 39 010 568 804

Half-year financial report
for the half-year ended 31 December 2011

WORLD REACH LIMITED
AND CONTROLLED ENTITIES
ABN 39 010 568 804

FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2011

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The Directors of World Reach Limited submit herewith the Condensed Consolidated Financial Report of World Reach Limited and controlled entities for the half-year ended 31 December 2011. In order to comply with the provisions of the Corporations Act 2001, the Director's report as follows:

Directors:

The names of the directors of the company during or since the end of the half-year are:

Non-Executive Directors:
Mr Anthony Peter Bigum
Mr John Gordon McCormack

Managing Director:
Mr Michael Ian Capocchi

Each of the above named Directors held office at all times during and since the end of the half-year.

Review of Operations

The consolidated group financial results for the half-year ended 31 December 2011 and comparative results for the half-year ended 31 December 2010 are as follows:

	1 July 2011 to 31 Dec 2011	**1 July 2010 to 31 Dec 2010**
Revenue	7,283,022	3,661,529
Operating expenses	(6,901,217)	(3,988,257)
Operating profit / (loss) before interest and tax	381,805	(326,728)
Interest	(164,062)	(163,878)
Profit/(loss) for the period	217,743	(490,606)

The consolidated group's principal activity during half-year ended 31 December 2011 has been the development, manufacture and global distribution of satellite communication terminals, handheld phone accessories and tracking devices, specifically developed for the Iridium and Inmarsat satellite networks.

In the six month period Beam Communications Pty Ltd ("Beam"), a wholly owned subsidiary of World Reach Limited, continued to invest in new product development of accessory products suitable for the two major global satellite systems. In mid 2011 development of a range of fixed terminal products which utilize the Inmarsat network ('Terra' and 'Oceana'), was completed and sales began in July 2011. These 'fixed' products complement the 'mobile' 'ISatDock' docking units developed in 2010; docking unit sales continuing strongly throughout 2011. Work is nearing completion on a new docking unit for the recently released Iridium 9575 'Extreme' satellite phone handset. The diversified range greatly benefited sales in 2011.

Revenue for the half year to 31 December reached $7.3m, up 99% on the same period in the prior year. Significant sales to NEC Australia, a new customer, as well as 'bundled' handset and accessory sales to Telstra boosted the period's result and further orders are expected, however exports still accounted for 61% of all revenue.

Gross margins for Beam's standard products exceeded budget and assisted the generation of a profit result for the half year of $217,743 including an unrealised loss of $153,238 on the foreign currency Inmarsat loan. This follows a profit for the 6 months to 30 June 2011 of $306,953 which included an unrealised gain of $171,741 on the loan. New products released to the market and the outsourcing of a substantial portion of the Company's manufacturing to China has partially countered the negative effect of the high A$ due to a significant portion of the group's sales being denominated in US$.

The future growth of Beam's products in the world market requires an international presence. In September 2011 a consultant based in London was appointed to further Beam's marketing expansion in the European region, to complement a similar arrangement in North America. European marketing activity has increased as a result and the consultant is also examining potential opportunities for new products and services with Beam's distribution partners.

Review of Operations (continued)

To assist in the provision of working capital funds to support the trading growth of the group's business, as well as new product development, share placements in August 2011 raised $224,742 and December 2011 raised $368,349 and a shareholder share purchase plan in September 2011 raised $104,000.

The loan from Inmarsat of US$3.18m which was used to fund the initial ISatDock developments and market implementation has been reduced to US$2.38m following two bi-annual payments. Inmarsat allowed one of the payments to vary from the agreed percentage of sales in support of Beam's cash flow position. In February 2012 the basis for amendments to the loan contract was agreed such that the repayments will better coincide with Beam's cash position. It was also agreed to pay the arrears from the September 2011 payment, which the group intends to partly fund with a further capital raising of $200,000 in April 2012.

Eleven convertible notes with a total face value of $275,000 were converted to equity in November/December 2011. The remaining notes with a total face value of $1,175,000 have a maturity date of 1 July 2013 but can be converted to equity at any time prior to that date. The conversion price per share of $0.002 is now attractive when measured against the current share price.

The group's cash position remains tight, however the Directors believe the financial position is satisfactory. The achievement of profitable trading and positive cash flows from operations, the continuation of current banking facilities, the provision of short term loans from Directors and a shareholder and the continuing support of creditors and financiers will provide the Group with sufficient cash flows to continue as a going concern.

Significant changes in the state of affairs

There have been no significant changes in the consolidated group's state of affairs during the period.

Auditor's Declaration of Independence

The auditor's independence declaration is included in the half-year financial report.

Signed in accordance with a resolution of directors made pursuant to Section 306(3) of the Corporations Act 2001.

On behalf of the directors.

Mr Anthony Bigum
Chairman
Signed in Melbourne, 28 February 2012

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of World Reach Limited

In relation to the half-year independent review for the six months to 31 December 2011, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the Corporations Act 2001.

(ii) No contraventions of any applicable code of professional conduct.

N R BULL
Partner
28 February 2012

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WORLD REACH LIMITED AND CONTROLLED ENTITIES
ABN 39 010 568 804

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

		Half-year ended	
		31-Dec-11	**31-Dec-10**
	Note	**$**	**$**
Revenue		7,283,022	3,661,529
Unrealised foreign currency exchange gain / (loss) on foreign currency loan		(153,238)	430,438
Changes in inventories of raw materials, finished goods and work in progress		1,130,505	896,988
Raw materials, consumables and other costs of sale		(5,556,650)	(3,331,713)
Employee benefits expense		(1,122,524)	(1,034,854)
Depreciation and amortisation expense		(426,650)	(193,125)
Finance costs expense		(164,062)	(163,878)
Auditor remuneration expense		(37,656)	(55,978)
Accounting, share registry and secretarial expenses		(63,181)	(57,675)
Consultancy and contractor expense		(77,984)	(78,602)
Legal and insurance expense		(54,911)	(62,745)
Other expenses	2	(538,928)	(500,991)
Profit/(Loss)before income tax		217,743	(490,606)
Income tax (expense) benefit		-	-
Profit / (Loss) for the half-year attributable to owners of the Company		217,743	(490,606)
Other comprehensive income		-	-
Total comprehensive income / (loss) for the half-year attributable to owners of the Company		217,743	(490,606)

Profit / (Loss) and total comprehensive income / (loss) are both fully attributable to owners of the Company

Overall operations			
Basic earnings per share (cents)	3	0.03	(0.07)
Diluted earnings per share (cents)	3	0.01	(0.07)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

WORLD REACH LIMITED AND CONTROLLED ENTITIES
ABN 39 010 568 804

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Note	31-Dec-11 $	30-Jun-11 $
Current assets			
Cash and cash equivalents		569,546	845,917
Inventories		3,416,544	2,286,039
Trade and other receivables	4	1,725,781	1,611,709
Total current assets		5,711,871	4,743,665
Non-current assets			
Plant and equipment		261,187	294,985
Intangible assets	5	2,017,267	1,887,879
Total non-current assets		2,278,454	2,182,864
Total assets		7,990,325	6,926,529
Current liabilities			
Trade and other payables		2,583,525	2,300,719
Other financial liabilities	6	1,983,850	3,499,626
Short-term provisions		399,743	324,235
Total current liabilities		4,967,118	6,124,580
Non-current liabilities			
Other financial liabilities	6	2,793,053	1,750,000
Long-term provisions		25,571	37,333
Total non-current liabilities		2,818,624	1,787,333
Total liabilities		7,785,742	7,911,913
Net assets / (Deficiency of net assets)		204,583	(985,384)
Equity			
Issued capital	7	20,842,026	19,869,935
Reserves		319,598	358,666
Accumulated losses		(20,957,041)	(21,213,985)
Equity attributable to owners of the Company		204,583	(985,384)
Total equity		204,583	(985,384)

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

WORLD REACH LIMITED AND CONTROLLED ENTITIES
ABN 39 010 568 804

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Issued capital $	Reserves $	Retained earnings (Accumulated losses) $	Total equity $
Balance at 1 July 2010	19,869,935	299,174	(21,032,655)	(863,546)
Total comprehensive income attributable to owners of the Company	-	-	(490,606)	(490,606)
Transactions with owners in their capacity as owners				
- Remuneration based option payments	-	47,321	-	47,321
- Adjustment for employee share options lapsed	-	(2,325)	2,325	-
Balance at 31 December 2010	19,869,935	344,170	(21,520,937)	(1,306,832)
Balance at 1 July 2011	19,869,935	358,666	(21,213,985)	(985,384)
Total comprehensive income / (loss) attributable to owners of the Company	-	-	217,743	217,743
Transactions with owners in their capacity as owners				
- Remuneration based option payments	-	133	-	133
- Adjustment for employee share options lapsed	-	(39,201)	39,201	-
- Share placement net of transaction costs	224,742	-	-	224,742
- Shares issued under share puchase plan	104,000	-	-	104,000
- Shares issued on conversion of notes	275,000	-	-	275,000
- Unallotted share capital net of transaction costs	368,349	-	-	368,349
Balance at 31 December 2011	20,842,026	319,598	(20,957,041)	204,583

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

WORLD REACH LIMITED AND CONTROLLED ENTITIES
ABN 39 010 568 804

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

		Half-year ended	
	Note	**31-Dec-11 $**	**31-Dec-10 $**
Cash flow from operating activities			
Receipts from customers		7,738,064	3,807,375
Payments to suppliers and employees		(7,689,196)	(4,437,132)
Interest received		17,912	1,392
Interest and finance charges paid		(164,062)	(163,878)
Net cash used in operating activities		(97,282)	(792,243)
Cash flow from investing activities			
Purchases of plant and equipment		(17,598)	(71,667)
Proceeds from sale of plant and equipment		-	5,743
Development costs capitalised		(507,620)	(837,013)
Net cash used in investing activities		(525,218)	(902,937)
Cash flow from financing activities			
Net cash proceeds / (payments) - Other loans		(296,357)	(2,179,492)
Net proceeds on share placements	7	697,091	-
Net cash provided by / (used in) financing activities		400,734	(2,179,492)
Net increase / (decrease) in cash and cash equivalents		(221,766)	484,312
Cash and cash equivalents at beginning of half-year		(59,561)	(369,844)
Cash and cash equivalents at end of half-year		(281,327)	114,468

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. Summary of significant accounting policies

(i) Statement of compliance

The condensed consolidated half-year financial report is a general purpose financial report that has been prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS34 Interim Financial Reporting. The half-year financial report does not include notes of the type typically included in an annual financial report and should be read in conjunction with the most recent annual financial report.

(ii) Basis of preparation

The condensed consolidated half-year financial report has been prepared on an accruals basis and is based on historical costs modified where applicable by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. All amounts are presented in Australian Dollars.

(iii) Going concern

The Financial Report has been prepared on a going concern basis which assumes that the Group will be able to generate sufficient positive cash flows to meet its financial obligations, realise its assets and extinguish its liabilities in the normal course of business.

The consolidated Group's trading results for the six months ended 31 December 2011 and the financial position of the Group at that date can be summarized as:

	31 December 2011	31 December 2010
	$	$
Profit / (Loss) for the half year	217,743	(490,606)
Cash provided by / (used in) operating activities	(97,202)	(792,243)
Net assets / (deficiency)	204,583	(1,306,832)
Net current assets / (deficiency)	744,753	(1,351,843)

The adoption of the going concern basis for the preparation of the Financial Report has been made after consideration of the following matters:

1. The Group has achieved profitable trading results in each financial quarter of the 2011 calendar year and positive cash flows from operations for the twelve months to 31 December 2011 and is forecasting a continuation of profitable trading and positive cash flows from operations for the twelve months ending 31 December 2012. The forecast trading profits and positive cash flows are based on a continuation of existing economic conditions and exchange rates similar to those at the date of this report. The forecast includes an increase in sales of existing products and additional sales of new products released in February 2012. Any material variation in economic conditions, exchange rates or the acceptance level for the new products will affect the timing and amount of sales and will have a consequential effect on future profits and cash flows.
2. Liabilities included an amount of $2,351,418 payable to Inmarsat Global Ltd ('Inmarsat'). This loan was provided to the Group for the design, development, marketing and inventory build-up of new products specifically for satellite phones used in the Inmarsat satellite communications network. The agreement with Inmarsat provides for these loans to be repaid in six monthly instalments twice a year. The amount of each instalment is to be equal to a percentage of the sales of the developed products in the six month period ending 30 days prior to the due date of the instalment. Inmarsat had previously advised the Group that it presently anticipated showing flexibility around the timing of the payment of further instalments if insistence on payment on the due dates would cause significant financial difficulties for the Group. During February 2012 World Reach and Inmarsat entered into negotiations to amend the six monthly instalment terms at reduced percentages of the sales of Inmarsat products. At the time of this report both parties have agreed in principle to amend the loan agreement but the revision agreement has not yet been finalised. Inmarsat has confirmed that up until the revised loan contract is finalised it does not presently intend to place the Group in a situation of financial distress at any point.
3. The revised Inmarsat loan agreement provides for a one-off payment to cover the arrears from the September 2011 payment of approximately $288,000 by 30 April 2012.
4. Two World Reach Directors and a shareholder have provided commitments to the Group to provide additional funds up to $150,000 by way of unsecured loans for a period of up to six months if the Group requires.
5. The Group has current banking arrangements which provide for overdraft facilities of $1,000,000 and guarantee facilities of $100,000. Continuation of these arrangements is subject to the Group satisfying specific covenants which are reviewed by the bank quarterly, including lodgement with the bank of a deposit of $500,000. The Group has satisfied these covenants for the four quarters to 31 December 2011 and anticipates continuing to satisfy these covenants in the future resulting in an expected continuation of the banking facilities.

The achievement of profitable trading and positive cash flows from operations, the continuation of current banking facilities, the provision of short term loans from Directors and a shareholder and the continuing support of creditors and financiers will provide the Group with sufficient cash flows to continue as a going concern.

1. Summary of significant accounting policies (continued)

(iv) Accounting Policies

The accounting policies applied in preparing these condensed consolidated financial statements for the half-year ended 31 December 2011 are the same as those applied by the consolidated entity in its consolidated annual financial report as at and for the year ended 30 June 2011.

		Half-year ended	
		31-Dec-11	31-Dec-10
		$	$
2	**Other expenses**		
	Includes:		
	Building and maintenance costs	93,095	87,083
	Marketing and communications	39,909	94,628
	Product development costs	134,013	115,209
	Travel costs	93,764	105,346

		cents	cents
3	**Earnings per share**		
	Overall operations		
	Basic earnings per share	0.03	(0.07)
	Diluted earnings per share	0.01	(0.07)
		No.	**No.**
	Weighted average number of ordinary shares used in the calculation of Basic Earnings Per Share	762,242,647	657,906,777
	Potential Ordinary Shares attributable to options outstanding at end of half-year	157,656,250	151,906,250
	Potential Ordinary Shares attributable to convertible notes outstanding at end of half-year	587,500,000	322,222,190
	Weighted average number of ordinary shares and potential ordinary shares used in the calculation of Diluted Earnings per share	1,507,398,897	1,132,035,217
		$	**$**
	Overall operations		
	Earnings used in the calculation of Basic and Diluted Earnings Per Share	217,743	(490,606)

Due to losses incurred during 31 December 2010 half-year, at that date all Potential Ordinary Shares that could potentially dilute basic earnings per share in the future were considered to be antidilutive and therefore not included in a calculation of diluted earnings per share. Accordingly basic and diluted earnings per share equate for 31 December 2010 half-year.

		31-Dec-11	30-Jun-11
		$	$
4	**Trade and other receivables**		
(a)	**Current**		
	Trade receivables	1,374,857	1,144,443
	Other receivables and prepayments	270,768	387,110
	Rental security deposit	80,156	80,156
		1,725,781	1,611,709

(b)	**Ageing reconciliation**	**Gross amount**	**Within trade terms**	**Past due but not impaired (days overdue) 31 - 60**	**61 - 90**	**90+**	**Past due & impaired**
	31-Dec-11						
	Current						
	Trade receivables	1,374,857	1,113,341	218,879	23,570	19,067	-
	Other receivables	270,768	270,768	-	-	-	-
	Rental security deposit	80,156	80,156	-	-	-	-
	30-Jun-11						
	Current						
	Trade receivables	1,144,443	721,044	313,065	11,351	98,983	-
	Other receivables	387,110	387,110	-	-	-	-
	Rental security deposit	80,156	80,156	-	-	-	-

		31-Dec-11 $	30-Jun-11 $
5	**Intangible assets**		
(a)	**Development costs capitalised**		
	Cost	2,783,415	2,275,795
	Accumulated amortisation and impairment	(766,148)	(387,916)
		2,017,267	1,887,879
(b)	**Movements in development costs capitalised**		
	Balance at the beginning of half-year	1,887,879	764,590
	Additional costs capitalised	507,620	1,511,205
	Amortisation expense	(378,232)	(387,916)
	Balance at the end of half-year	2,017,267	1,887,879
6	**Other financial liabilities**		
	Current		
	Bank overdraft	850,873	905,478
	Secured advances under contract	1,033,365	2,503,120
	Unsecured other loans	99,612	91,028
		1,983,850	3,499,626
	Non Current		
	Secured convertible notes	1,175,000	1,450,000
	Secured advances under contract	1,318,053	-
	Unsecured other loans	300,000	300,000
		2,793,053	1,750,000

Bank Facilities

All bank facilities are secured by first ranking Registered Mortgage Debenture over the Consolidated Group's assets including uncalled capital and called but unpaid capital.

Secured convertible notes

At 31 December 2011, 47 convertible notes each with a total face value $25,000, totalling $1,175,000 were outstanding on the following terms:

- Maturity date	July 2013
- Conversion price	$0.0020
- Interest rate	8%
- Potential ordinary shares on conversion	587,500,000

Note holders were issued with 91,406,250 options to subscribe for shares in the Company at various exercise prices.

During the half-year ended 31 December 2011, Note holdings valued at $275,000 were converted to share capital.

Secured by a second ranking fixed and floating charge over all the assets of the parent company.

Secured advances under contract

During the half-year the Company made repayments of advances under a contract with Inmarsat Global Limited of $304,940. The loan was subject to an unrealised foreign exchange loss to 31 December 2011 of $153,238. The loan was made in order to develop and begin the manufacture of docking units compatible with the Inmarsat hand held satellite phone. These advances are secured by a fixed and floating charge over the assets of Beam Communications Pty Ltd a subsidiary of the parent company, are non-interest bearing and are to be repaid as a percentage of the sales proceeds of the docking units.

	31-Dec-11		30-Jun-11	
	Shares	**$**	**Shares**	**$**
7 Issued capital				
Contributed equity				
Ordinary shares fully paid	933,006,777	20,473,677	657,906,777	19,869,935
Unallotted share capital	-	368,349	-	-
Total issued capital	933,006,777	20,842,026	657,906,777	19,869,935

The Company entered into a Share Subscription Agreement dated 20 December 2011 whereupon subscription monies amounting to $368,439 were received prior to 31 December 2011. The shares were registered on 5 January 2012. The monies received have been included in issued capital as unalloted share capital. The Consolidated Statement of Cash Flows includes this amount in Net Proceeds on Share Placements.

8 Segment reporting

Sole operating segment

The Consolidated Group has identified its sole operating segment based upon internal reports that are reviewed and used by the Directors in assessing performance and determining the allocation of resources in respect of its satellite communications products and services.

Revenue and results are fully disclosed in the Consolidated Statement of Comprehensive Income for the sole operating segment.

The Consolidated Statement of Financial Position discloses the sole operating segment assets and liabilities which are held within Australia.

DIRECTORS' DECLARATION

The directors' of the company declare that the financial statements and notes as set out in pages 5 to 13 are in accordance with the Corporations Act 2001:

(a) Comply with Australian Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Act 2001, and

(b) Give a true and fair view of the financial position of the consolidated entity as at 31 December 2011 and of its performance as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to Section 306(3) of the Corporations Act 2001.

On behalf of the directors.

Mr Anthony Bigum
Chairman
Signed in Melbourne, 28 February 2012

WORLD REACH LIMITED
ABN: 39 010 568 804
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
WORLD REACH LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of World Reach Limited and controlled entities, which comprises the condensed consolidated statement of financial position as at 31 December 2011, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half- year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of World Reach Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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WORLD REACH LIMITED
ABN: 39 010 568 804
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
WORLD REACH LIMITED

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of World Reach Limited and controlled entities is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter

Without qualification to the opinion expressed above, attention is drawn to the matters set out in Note 1 (iii) to the financial statements – Going Concern.

The adoption of the going concern basis has been made after consideration of profitable trading and positive cash flows from operations, the continuation of current banking facilities, the provision of short term loans from Directors and a shareholder and the continuing support of creditors and financiers. Achievement of all of these conditions indicates the existence of a material uncertainty that may cast doubt about the company's ability to continue as a going concern. If the going concern basis is found to no longer be appropriate the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

N R BULL
Partner
28 February 2012

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