World Reach Limited
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29 October 2012

The Manager
Market Announcements Platform
Australian Securities Exchange Limited

Company Report (Appendix 4C)

Enclosed is the Quarterly Report (Appendix 4C) for the 3 months ended 30 September 2012.

There was a net increase in cash for the quarter of $105K generated solely from trading operations. There were no cash movements in investment/financing activities.

The cash position at 30 September 2012 was a net overdrawn balance of $150K.

Operations for the Quarter

Sales revenue for September quarter was $3.3m, a 15% increase on June quarter. Improved availability of Iridium '9575 Extreme' handsets allowed back orders to be fulfilled in July and August but sales ordering for the month of September was slower than expected, leaving the quarter's sales revenue still slightly down on budget.

Gross margins for most standard product orders were close to budget however some one-off sales both to overseas and local customers were at reduced margins reflecting the very competitive and difficult nature of the international market at present. Overhead expenses in the period were controlled to lower than budget levels.

Although the Company continues to spend on R&D there was no expenditure on capitalized product development projects in the quarter and no loan repayments due to Inmarsat.

Outlook

Telstra has drawn down $0.9 m (incl gst) to the end of September of its sales commitment for 2012/13 leaving a balance of $3.4m (incl gst) for the remainder of the financial year. However Telstra have indicated they will at this stage be taking very little of the remaining deliveries until after January 2013.

The next 6 monthly loan repayment to Inmarsat ($0.2m) was made on 19 October being due before the end of the month. These loan repayments while geared to Inmarsat sales revenues do remove a sizeable portion of the Company's cash generation.

The Company is continuing to pursue promising sales initiatives in Asia, particularly in Japan and China, where sales opportunities are significant and incremental to last year's business. Also various other new initiatives are being pursued by the company to stimulate the market,

Following on from the quieter than expected September, sales the coming quarter still poses its challenges with the delays in Telstra activity and only a gradual increase in Inmarsat sales particularly in Europe and North America.

Yours faithfully

Michael Capocchi
Managing Director

Rule 4.7B

Appendix 4C

Quarterly report
for entities admitted
on the basis of commitments

Introduced 31/3/2000.

Name of entity

World Reach Limited

ABN	Quarter ended ("current quarter")
39 010 568 804	**30 September 2012**

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter $A'000	Year to date (3 months) $A'000
1.1	Receipts from customers (including deposits)	3307	3307
1.2	Payments for (a) staff costs	(691)	(691)
	(b) advertising and marketing		
	(c) research and development		
	(d) leased assets		
	(e) other working capital		
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	14	14
1.5	Interest and other costs of finance paid	(76)	(76)
1.6	Income taxes paid		
1.7	Other (provide details if material)		
	- Operating Purchases	(2346)	(2346)
	- Rent	(32)	(32)
	- GST (Net)	(82)	(82)
	- Other – Export Dev Grant (net)	11	11
	Net operating cash flows	105	105

+ See chapter 19 for defined terms.

		Current quarter $A'000	Year to date (3 months) $A'000
1.8	Net operating cash flows (carried forward)	105	105
	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 – product dev. capitalized.	-	-
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	105	105
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc. - shares, convertible notes (net)	-	-
1.16	Proceeds from sale of forfeited shares		
1.17	Proceeds from borrowings		
1.18	Repayment of borrowings – Inmarsat loan	-	-
1.19	Dividends paid		
1.20	Other		
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	105	105
1.21	Cash at beginning of quarter/year to date	(255)	(255)
1.22	Exchange rate adjustments to item 1.20		
1.23	Cash at end of quarter	(150)	(150)

+ 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	102
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	948
3.2	Credit standby arrangements	NONE	NONE

+ See chapter 19 for defined terms.

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	798	712
4.2	Deposits at call	-	-
4.3	Bank overdraft	(948)	(967)
4.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.23)	(150)	(255)

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.

Michael Capocchi – Managing Director 29 October 2012.

+ 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.