

REVERSE CORP LIMITED

Annual General Meeting
30 October 2014

CEO Presentation
Charles Slaughter



Agenda

- Overview
- Group Snapshot
- 1800 Reverse
- TriTel Australia
- OzContacts.com.au
- Capital Management
- Management Priorities

Full Group Snapshot

Year to 30 June (AUD)	2014	2013	Year-on-Year
Revenue	\$9.7m	\$8.5m	↑ 14%
EBITDA	\$2.4m	\$1.0m	↑ 140%
EBIT	\$2.1m	\$0.5m	↑ 320%
NPAT	\$1.5m	\$0.4m	↑ 275%
EPS	\$0.016	\$0.004	↑ 300%

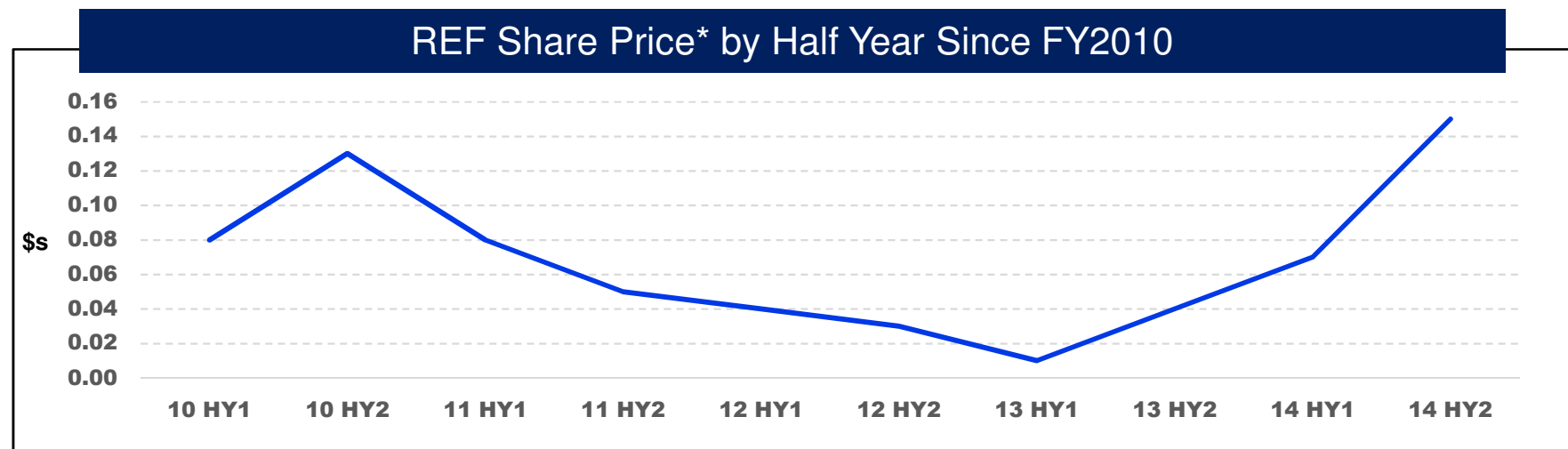
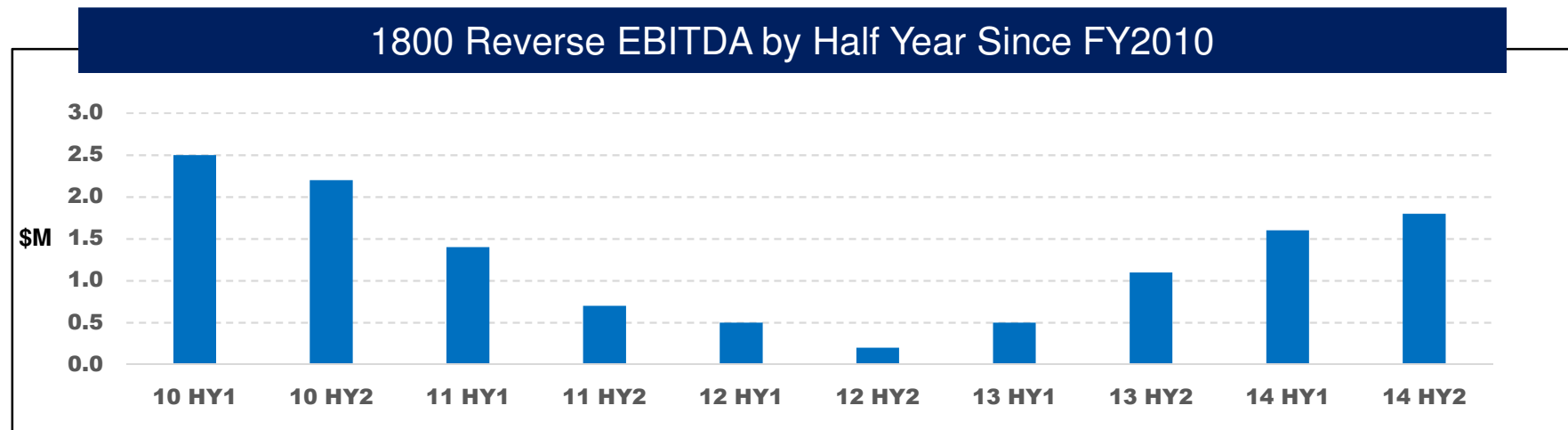
- ❑ Stronger 1800 Reverse performance underpinning Group earnings with the business benefitting from the full year flowthrough of turnaround initiatives
- ❑ OzContacts.com.au growing revenue but yet to reach profitability. Further investment required for the business to achieve the scale required
- ❑ Declining TriTel Australia payphone business sold 1 October 2014
- ❑ Management focus on identifying future growth through strategic acquisitions

1800 Reverse - reverse charge calling

Year to 30 June (AUD)	2014	2013	Year-on-Year
Revenue	\$6.6m	\$4.9m	↑ 35%
EBITDA	\$3.4m	\$1.6m	↑ 114%
EBITDA margin	52%	33%	↑ 58%

- ❑ Increased call volumes following a full year of access from 'out-of-credit' Vodafone prepaid mobiles and the entire Telstra prepaid mobile base
- ❑ Margin improvement resulting from a full year of improved key supplier terms, more favourable call traffic profiles, efficient marketing spend plus ongoing operational improvements and savings
- ❑ Overall demand remains solid due to stable prepaid mobile conditions with 'mobile to mobile' reverse charge calls now representing over 60% of total calls
- ❑ Continuing evaluation of the industry framework change making calls from mobiles to 1800 numbers free, based on current details no material impact expected

1800 Reverse turnaround sets the basis for the overall business future



* Share price is as at the end of each half year period

TriTel Australia – payphones

Year to 30 June (AUD)	2014	2013	Year-on-Year
Revenue	\$0.9m	\$1.2m	↓ (25%)
EBITDA	(\$0.1m)	(\$0.1m)	-
EBITDA margin	(11%)	(8%)	↓ (38%)

- ❑ FY14 Results Announcement and Annual Report highlighted that the Board viewed TriTel as non-core and recommended it being divested
- ❑ TriTel was sold on 1 October 2014. Sale price was not deemed material
- ❑ TriTel payphone business has been loss making since FY12 with no prospect of a positive contribution
- ❑ Sale removes complexity from the Group and eliminates potential wind-down exposure costs

OzContacts.com.au – online contact lenses store

Year to 30 June (AUD)	2014	2013	Year-on-Year
Revenue	\$2.2m	\$1.2m	↑ 82%
EBITDA	(\$0.3m)	(\$0.2m)	↓ (50%)
EBITDA margin	(14%)	(17%)	↑ 18%

- ❑ Reverse Corp has 65% stake
- ❑ Solid revenue growth with the customer base increasing to 13k at year end
- ❑ Improved profitability in the 2nd half due to a focus on customer retention and in-life experience, reducing EBITDA losses from \$220k in HY1 to \$129k in HY2
- ❑ Customer acquisition rate has been impacted by more aggressive online competitor activity
- ❑ A range of options under review to determine the most efficient approach to gain scale and ensure the business delivers a positive contribution to the overall Group

Capital Management

Year to 30 June (AUD)	2014	2013	Year-on-Year
❑ Operating cash flow to 30 June	\$2.2m	\$0.5m	↑ 340%
❑ Cash on hand as at 30 September	\$5.3m	\$3.4m	↑ 56%
❑ Debt as at 30 September	\$0.0m	\$0.0m	-

❑ The Directors considered it prudent not to declare a dividend as the company pursues acquisition opportunities needed for long term growth

Management Priorities

1. Pursue growth opportunities through strategic acquisitions in Telco & Tech, increased cash reserves with reduced business complexity has improved our position
2. Continue to implement operational improvements to the 1800 Reverse service to maximise profitability
3. Complete the evaluation of next phase investment options for OzContacts.com.au, ensuring the business can deliver a positive contribution to the Group

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