

29 April 2015

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 31 March 2015.

During the quarter, the Company enjoyed a net increase in its cash balance of \$895,000.

Net operating revenues for the period saw a net cash inflow of \$992,000, while investment expenditure outflows amounted to \$97,000. There was nil expenditure in relation to financing activities.

The Company's cash position at 31 March 2015 was \$2,185,000 in funds held. The Company also retains access to undrawn financing facilities of \$710,000.

Company Update:

Operations and Activities for the Quarter

Sales revenue for March quarter was \$3.2m, with sales running overall at budgeted levels.

The Company commenced delivering the second order of new products from the major development project completed in June 2014 and delivered 25% of that order this quarter. European orders fluctuated through the quarter, but the increased value in AUD of sales conducted in USD compensated for any volume shortfalls.

Trading

Trading operations in the March quarter were again profitable, despite a predictably subdued sales month in March, as a consequence of lower production in China during the extensive Chinese New Year shutdown. The Company's net operating cash flow benefited from debtor collections falling into the March quarter out of the high level of sales recorded in December 2014.

R&D

Minor R&D expenditure of \$51,000 was incurred during the quarter, although that can be expected to increase given the Company's announcement on 9 April 2015 of its major new satellite terminal development contract.

A major reduction in financing costs has resulted from the repayment of all interest bearing debt, following the rights issue in August 2014.

Outlook

The Company is on schedule to have fulfilled, by 30 June 2015, 75% of the second order of the new products from the major development project of 2013/14 with the remainder of the second order to flow into FY2016, bringing the total sales value for these products since first deliveries to US\$7m.

Notwithstanding modest component supply issues, which briefly deferred the resumption of production after Chinese New Year, the Company expects annual production to reach the volumes previously budgeted now that production and deliveries have resumed.

Currency Gains Offset

The slowing of European market activity and sales and the loss of a major Australian short burst data customer have been counter-balanced by the Company's gain in AUD sales value and margins, given the majority of its revenue being earned in USD.

New Satellite Terminal Contract

The Company's product development program for the remainder of FY2015 and into FY2016 will focus on the major project announced on 9 April for a new concept satellite terminal.

This will involve substantial R&D investments by the Company, although as stated on 9 April, it is anticipated that the investment and expenses for which the Company is responsible will be serviced from its own surplus operational revenues, cash at hand and, if necessary, undrawn credit facilities.

Product revenues from this project are expected to commence in early FY2017 and the minimum contracted revenue payable to the Company will be US\$3m in the first 12 months after the counterparty takes delivery of its first order.

R&D Rebate

An Australian Government Research & Development Grant application in relation to development work performed in the 2013/14 year was lodged during April. The outcome of that application and the timing of payments made to the Company, presuming the application is successful, will be announced upon acceptance and approval.

Profit Expectations

The Company anticipates profitable trading to continue for the remainder of the 2014/15 year. The Company's directors and management anticipate a profit result broadly in line with budget expectations and the previous financial year. These profits continue to generate further improvement in the net asset position of the Company and have enabled the Company to make the further commitments and investments it has recently announced.

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 2015

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)	4332	13449
1.2	Payments for (a) staff costs (b) advertising and marketing (c) research and development (d) leased assets (e) other working capital	(715)	(2319)
1.3	Dividends received	-	1
1.4	Interest and other items of a similar nature received	(12)	(111)
1.5	Interest and other costs of finance paid	-	(38)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	- Operating Purchases	(2561)	(9130)
	- Rent	(52)	(143)
	- GST (Net)	-	(84)
	- Other – Export Dev Grant (net)	-	-
Net operating cash flows		992	1625

+ 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)	992	1625
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.	(46) (51)	(54) (494)
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 – R&D Grant	-	-
	(97)	(548)
Net investing cash flows		
1.14 Total operating and investing cash flows	895	1077
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc. – rights issue	-	2400
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings		
1.18 Repayment of borrowings – Inmarsat loan – Other loans	- -	(172) (575)
1.19 Dividends paid		
1.20 Other – convertible notes repaid	-	(500)
	-	1153
Net financing cash flows		
Net increase (decrease) in cash held	895	2230
1.21 Cash at beginning of quarter/year to date	1290	(45)
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	2185	2185

Payments to directors of the entity and associates of the directors

+ See chapter 19 for defined terms.

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	125
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 overdrafts:	710	NIL
3.2 Credit standby arrangements	NONE	NONE

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Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

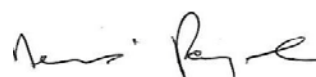
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	2185	1290
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details) – bank loan	-	-
Total: cash at end of quarter (item 1.23)		2185	1290

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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Dennis Payne - Company Secretary

29 April 2015.

+ 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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