



29 July 2015

The Manager
Market Announcements Platform
Australian Securities Exchange Limited

World Reach Limited
ABN 39010 568 804

5 / 8 Anzed Court, Mulgrave,
Victoria, Australia 3170

T +61 3 8561 4200
F +61 3 9560 9055
E: info@worldreach.com.au

Company Report (Appendix 4C)

Enclosed is the Quarterly Report (Appendix 4C) for the 3 months ended 30 June 2015.

During the quarter, the Company enjoyed a net increase of \$944,000 in its cash balance. The Company's cash position at 30 June 2015 was \$3,129,000 in funds held. The Company also retains access to undrawn financing facilities of \$717,000.

Net operating revenues for the period saw a net cash inflow of \$337,000, including receipt of an Export Market Development Grant of \$108,000 relating to the FY2014 year.

Investment activities amounted to a net inflow of \$607,000 including a cash rebate of \$692,000 which was received in June under the Australian Government Research and Development Grant scheme.

There was nil expenditure on financing activities.

Company Update:

Operations and Activities for the Quarter

Sales revenue for June quarter was \$4.4m, a substantial increase over the previous quarter.

Deliveries continued under the second major order for products the Company developed in 2013/14, completing 50% of that order this quarter. The level of orders from the Company's global network of distributors and resellers varied in size but were generally to budgeted expectations.

Trading

Trading operations in the June quarter continued the unbroken run of monthly profits. A strong trading performance in the month of June and a number of non-recurring items expanded the profit outlook for FY2015 as announced on 24 July. A net profit in the range \$600,000 to \$650,000 is anticipated. Only one month of the Australian Government Research and Development rebate will be reflected in the FY2015 profit result, with the balance apportioned over the 12 months of FY2016 matching the remaining amortisation of capitalised development costs.

R&D

Capitalised investment expenditure of \$85,000 was incurred during the quarter. The planning stage of the major new satellite terminal development project announcement on 9 April has taken longer than expected leading to lower than budgeted expenditure in the quarter but that will increase substantially once planning is completed. .

Outlook

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

New Satellite Terminal Contract

The FY2016 product development program will include substantial R&D investment by the Company on the major project, announced on 9 April 2015, for a new concept satellite terminal.

It is anticipated that the investment and expenses for which the Company is responsible will be serviced from its own surplus operational revenues and cash on hand.

Development expenditure in FY2015 and FY2016 is currently being reviewed for suitability to meet the requirements of the Australian Government Research & Development Grant. At this juncture the Company has not budgeted for the receipt of further rebates, but it may well benefit if the review and applications are ultimately successful.

Product revenues from the project are expected in FY2017. The minimum contracted revenue payable to the Company will be US\$3m in the first 12 months once deliveries commence.

Profit Expectations

The Company anticipates the FY2016 profit result will be an improvement over FY2015, based on its trading outlook and other positive factors such as the bringing to account of the remainder of past project based R&D grants. These profits will enhance the already much improved net asset position of the Company and, together with the resultant cash inflows, allow the Company to achieve its growth objectives and investments.

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")

30 June 2015

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from customers (including deposits)	4346	17795
1.2 Payments for (a) staff costs (b) advertising and marketing (c) research and development (d) leased assets (e) other working capital	(719)	(3038)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	5	6
1.5 Interest and other costs of finance paid	(16)	(127)
1.6 Income taxes paid	-	(38)
1.7 Other (provide details if material)		
- Operating Purchases	(3312)	(12442)
- Rent	(52)	(195)
- GST (Net)	(23)	(107)
- Other – Export Dev Grant (net)	108	108
Net operating cash flows	337	1962

+ 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 (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	337	1962
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.	(12) (73)	(66) (567)
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	692	692
Net investing cash flows	607	59
1.14 Total operating and investing cash flows	944	2021
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)
Net financing cash flows	-	1153
Net increase (decrease) in cash held	944	3174
1.21 Cash at beginning of quarter/year to date	2185	(45)
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	3129	3129

+ 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	133
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:	717	NIL
3.2	Credit standby arrangements	NONE	NONE

+ See chapter 19 for defined terms.

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

Reconciliation of cash

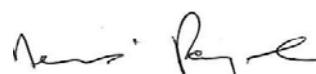
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	3129	2185
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details) – bank loan	-	-
Total: cash at end of quarter (item 1.23)	3129	2185

Acquisitions and disposals of business entities

	Acquisitions (Year to date) <i>(Item 1.9(a))</i>	Disposals (Year to date) <i>(Item 1.10(a))</i>
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.



Dennis Payne - Company Secretary

29 July 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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