



Reverse Corp Limited
ACN 085 949 855

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COMPANY ANNOUNCEMENT

16 February 2011

Reverse Corp Limited (REF) – Half Year Results Announcement

For the six months to 31 December 2010, Reverse Corp reports revenue of \$8.2M, earnings before interest and tax (EBIT) of \$2.0M and net profit after tax (NPAT) of \$1.3M, representing earnings of 1.4 cents per share. This result meets company guidance and was achieved despite declining call volumes and a strong Australian dollar.

Since the end of the period the company has signed a further extension to its Australian fixed-line Services Agreement with Telstra Corporation to 30 April 2011 and continues to discuss ways in which it may expand its relationship with Telstra.

Encouraging results have been recorded for the company's trial service in New Zealand. Over the period the company has also progressed plans for expansion both geographically and to its core product set.

The Board has retained earnings and has not declared an interim dividend in order to fund growth opportunities whether organic or by acquisition.

By Order of the Board

Michael Mallinson
Company Secretary

REVERSE CORP LIMITED

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Appendix 4D

Half-year report

for the half-year ended 31 December 2010

(previous corresponding period: half-year ended 31 December 2009)

Results for announcement to the market:

Revenue from ordinary activities (\$000)	down 39.7%	to \$8,201
Profit from ordinary activities after tax attributable to members (\$000)	down 61.3%	to \$1,299
Net Profit after tax attributable to members (\$000)	down 61.3%	to \$1,299

Dividend:

The board has decided not to declare an interim dividend.

	31 Dec 2010	31 Dec 2009
Net tangible assets per security:	\$0.04	\$0.01

**Reverse Corp Limited
and Controlled Entities**

ABN 16 085 949 855

Financial Report for the half-year ended 31 December 2010

**Reverse Corp Limited ABN 16 085 949 855
and Controlled Entities**

Interim Financial Report

DIRECTORS' REPORT

Your directors submit the financial report of the economic entity for the half-year ended 31 December 2010.

Directors

The names of directors in office at any time during or since the end of the period are:

Mr Peter D Ritchie – Chairman

Mr Gary B Hillberg – Executive Director

Mr Richard L Bell – Non-executive Director

Mr Stephen C Jermyn – Non-executive Director

Review and Results of Operations

Net profit after tax for the half-year ended 31 December 2010 was \$1.3 million compared with \$3.4 million for the same period last year. Revenue for the period was \$8.2 million compared with \$13.6 million for the corresponding period. Earnings were impacted by the strong Australian dollar and reduced call volumes in both Australia and the United Kingdom.

Dividends Paid

No dividend has been declared for the half-year.

Rounding of Amounts

The amounts contained in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under ASIC Class Order 98/100.

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 3 and forms part of this report.

This report is signed in accordance with a resolution of the Board of Directors.



Mr Peter D Ritchie
Chairman

Dated this 16th day of February 2011

AUDITOR'S INDEPENDENCE DECLARATION**TO THE DIRECTORS OF REVERSE CORP LIMITED**

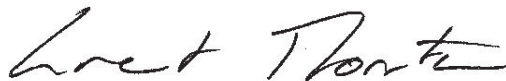
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In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Reverse Corp Limited for the half-year ended 31 December 2010, I declare that, to the best of my knowledge and belief, there have been:

- 1 No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- 2 No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



A F Newman
Director - Audit & Assurance

Brisbane, Dated 16 February 2011

**Reverse Corp Limited ABN 16 085 949 855
and Controlled Entities**

Interim Financial Report

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	Note	Half-year ended 31 Dec 2010 \$000	Half-year ended 31 Dec 2009 \$000
Revenue		8,157	13,593
Other revenue		44	11
Direct costs associated with revenue	2	(3,937)	(6,136)
Employee benefits expense	2	(1,101)	(1,403)
Depreciation and amortisation expense		(456)	(518)
Other expenses	2	(636)	(566)
Finance costs	2	(56)	(123)
Share of net profit / (loss) of associate		(38)	-
Profit before income tax		1,977	4,858
Income tax expense		(678)	(1,496)
Profit for the period		1,299	3,362
Other comprehensive income			
Foreign currency translation differences		(275)	(297)
Income tax on other comprehensive income	9	85	165
Other comprehensive income for the period, net of income tax		(190)	(132)
Total comprehensive income for the period		1,109	3,230
Continuing operations			
Basic earnings per share (cents per share)		1.4	3.6
Diluted earnings per share (cents per share)		1.4	3.6

**Reverse Corp Limited ABN 16 085 949 855
and Controlled Entities**

Interim Financial Report

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2010

	31 Dec 2010	30 Jun 2010
	Note	\$000
	\$000	\$000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	3,632	1,480
Trade and other receivables	1,592	2,490
Inventories	7	8
Other current assets	172	158
TOTAL CURRENT ASSETS	5,403	4,136
NON-CURRENT ASSETS		
Investments accounted for using equity method	57	18
Property, plant and equipment	1,767	2,194
Deferred tax assets	327	269
Intangible assets	2,502	2,471
Other non-current assets	60	69
TOTAL NON-CURRENT ASSETS	4,713	5,021
TOTAL ASSETS	10,116	9,157
CURRENT LIABILITIES		
Trade and other payables	1,601	1,778
Financial liabilities	1,718	1,512
Current tax liabilities	247	268
Short-term provisions	116	190
TOTAL CURRENT LIABILITIES	3,682	3,748
NON-CURRENT LIABILITIES		
Financial liabilities	305	407
Deferred tax liabilities	16	15
Long-term provisions	36	30
TOTAL NON-CURRENT LIABILITIES	357	452
TOTAL LIABILITIES	4,039	4,200
NET ASSETS	6,077	4,957
EQUITY		
Issued capital	3,553	3,553
Reserves	565	744
Retained earnings	1,959	660
TOTAL EQUITY	6,077	4,957

**Reverse Corp Limited ABN 16 085 949 855
and Controlled Entities**

Interim Financial Report

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share Capital \$000	Retained Earnings \$000	Reserves \$000	Total \$000
Balance at 1 July 2009		3,553	361	750	4,664
Total comprehensive income for the period		-	3,362	(132)	3,230
Subtotal		3,553	3,723	618	7,894
Transactions with owners in their capacity as owners:					
Employee share options		-	-	56	56
Dividend paid or provided for		-	(2,771)	-	(2,771)
Subtotal		-	(2,771)	56	(2,715)
Balance at 31 December 2009		3,553	952	674	5,179
Balance at 1 July 2010		3,553	660	744	4,957
Total comprehensive income for the period		-	1,299	(190)	1,109
Subtotal		3,553	1,959	554	6,066
Transactions with owners in their capacity as owners:					
Employee share options		-	-	11	11
Dividend paid or provided for		-	-	-	-
Subtotal		-	-	11	11
Balance at 31 December 2010		3,553	1,959	565	6,077

**Reverse Corp Limited ABN 16 085 949 855
and Controlled Entities**

Interim Financial Report

CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Half-year ended 31 Dec 2010 \$000	Half-year ended 31 Dec 2009 \$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	9,477	16,099
Payments to suppliers and employees	(6,489)	(8,375)
Interest received	44	11
Finance costs	(56)	(122)
Income tax paid	(662)	(2,341)
Net cash provided by (used in) operating activities	2,314	5,272
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(52)	(119)
Payments for intangible assets	(81)	(180)
Investment in joint venture	(75)	-
Net cash provided by (used in) investing activities	(208)	(299)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	416	2,450
Repayment of borrowings	(91)	(4,133)
Hire purchase payments	(4)	(88)
Dividends paid	-	(2,771)
Net cash provided by (used in) financing activities	321	(4,542)
Net increase in cash and cash equivalents	2,427	431
Cash and cash equivalents at beginning of period	1,480	1,071
Effect of exchange rates on cash holdings in foreign currency	(275)	(26)
Cash and cash equivalents at end of period	3,632	1,476

**Reverse Corp Limited ABN 16 085 949 855
and Controlled Entities**

Interim Financial Report

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

NOTE 1: BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2010 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Reverse Corp Limited and its controlled entities (the group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the group for the year ended 30 June 2010, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

A controlled entity is any entity Reverse Corp Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Rounding of Amounts

The parent entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and directors' report have been rounded off to the nearest \$1,000.

**Reverse Corp Limited ABN 16 085 949 855
and Controlled Entities**

Interim Financial Report

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Half-year ended 31 Dec 2010	Half-year ended 31 Dec 2009
	\$000	\$000
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NOTE 2: PROFIT FOR THE PERIOD		
Expenses		
Direct costs associated with revenue	3,937	6,136
Other employee benefits expense include:		
Share based payments	11	56
Other expenses include:		
Realised foreign exchange (gain)/ loss	(216)	(258)
Impairment	-	200
Finance costs:		
- External	56	123
- Related parties	-	-
Total finance costs	56	123

NOTE 3: DIVIDENDS

Dividends paid

No dividend has been declared for the half-year ended 31 December 2010.

(2009: 3 cents per share franked at the tax rate of 30%)	-	2,771
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**Reverse Corp Limited ABN 16 085 949 855
and Controlled Entities**

Interim Financial Report

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

NOTE 4: SEGMENT INFORMATION

The group has identified its operating segments based on the internal reports that are reviewed and used by management and the Board of Directors in assessing performance and determining the allocation of resources. The group is managed primarily on the basis of the geographic markets in which it operates as these markets have different pricing and operating structures. The operating segments are therefore determined on the same basis.

The following table presents the geographical segments for the half-year ended 31 December 2010 and 31 December 2009.

Half-year ended 31 December 2010	Australia*	United Kingdom	Republic of Ireland	Inter Segment Eliminations	Group
	\$000	\$000	\$000	\$000	\$000
REVENUE					
External revenue	4,930	3,130	69	-	8,129
Other revenue	-	28	-	-	28
Inter-segment revenue	68	-	-	(68)	-
Interest revenue	74	28	-	(58)	44
Total revenue	5,072	3,186	69	(126)	8,201
RESULT					
Segment result	957	1,068	(49)	-	1,977
OTHER SEGMENT INFORMATION					
Segment assets	19,711	5,902	7	(15,504)	10,116
Segment liabilities	8,417	3,202	280	(7,860)	4,039
Interest in associates	57	-	-	-	57
Share of net profit of associates	(38)	-	-	-	(38)
Interest expense	83	-	31	(58)	56
Capital expenditure	108	17	-	(73)	52
Depreciation and amortisation	417	3	36	-	456
Impairment	-	-	-	-	-
Income tax expense	313	369	(4)	-	678

**Reverse Corp Limited ABN 16 085 949 855
and Controlled Entities**

Interim Financial Report

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

NOTE 4: SEGMENT INFORMATION (cont)

Half-year ended 31 December 2009	Australia*	United Kingdom	Republic of Ireland	Inter Segment Eliminations	Group
	\$000	\$000	\$000	\$000	\$000
REVENUE					
External revenue	6,505	6,989	99	-	13,593
Inter-segment revenue	61	-	-	(61)	-
Interest revenue	42	25	-	(56)	11
Total revenue	6,608	7,014	99	(117)	13,604
RESULT					
Segment result	1,783	3,386	(311)	-	4,858
OTHER SEGMENT INFORMATION					
Segment assets	22,157	7,865	388	(18,612)	11,798
Segment liabilities	9,726	8,063	167	(11,337)	6,619
Interest expense	144	-	34	(56)	122
Capital expenditure	113	6	-	-	119
Depreciation and amortisation	421	54	43	-	518
Impairment	200	-	-	-	200
Income tax expense	554	981	(39)	-	1,496

* Parent entity costs are included in the Australian segment information only and not allocated between Australia, the United Kingdom and the Republic of Ireland. Segment revenues, expenses and results include transfers between segments. All such transactions are eliminated on consolidation of the group's financial statements.

The prices charged on inter-segment transactions are at an arms length.

NOTE 5: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 6: CHANGES IN COMPOSITION OF CONSOLIDATED ENTITY

Since the consolidated entity's last annual reporting date, there have been no changes in the composition of the consolidated entity.

NOTE 7: ASSOCIATED COMPANIES

The group has a 50% ownership interest in Coinmate Pty Ltd, an associated company.

**Reverse Corp Limited ABN 16 085 949 855
and Controlled Entities**

Interim Financial Report

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE

Since the end of the reporting period, no matters have arisen which significantly effected or may significantly effect the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

NOTE 9: PRIOR PERIOD ERROR

Comparative figures have been corrected to reflect the appropriate treatment of income tax on foreign exchange movements in intercompany investments. The following line items have been amended:

Consolidated Statement of Comprehensive Income for the half-year ended 31 December 2009:

Income tax expense increased from \$1,331,000 to \$1,496,000.

Profit for the period reduced from \$3,527,000 to \$3,362,000.

Income tax on comprehensive income increased from nil to \$165,000.

Basic and Diluted earnings per share reduced from 3.8 cents to 3.6 cents.

Consolidated Balance Sheet as at 30 June 2010:

Reserves increased from \$509,000 to \$744,000.

Retained earnings reduced from \$895,000 to \$660,000.

The prior period error and subsequent correction of comparative figures applies from 1 July 2009. The balances of Retained Earnings and Reserves at 30 June 2009 and 1 July 2009 remain unchanged from previous financial reports and are not required to be re-stated. Accordingly, it is not necessary to disclose a third balance sheet as required by AASB101 Presentation of Financial Statements.

**Reverse Corp Limited ABN 16 085 949 855
and Controlled Entities**

Interim Financial Report

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 12:
 - a. comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and
 - b. give a true and fair view of the economic entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date.
2. 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.

This declaration is made in accordance with a resolution of the Board of Directors.



Mr Peter D Ritchie
Chairman

Dated this 16th day of February 2011

INDEPENDENT AUDITOR'S REVIEW REPORT**TO THE MEMBERS OF REVERSE CORP LIMITED**

Grant Thornton Audit Pty Ltd
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We have reviewed the accompanying half-year financial report of Reverse Corp Limited (“Company”), which comprises the consolidated financial statements being the balance sheet as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors’ declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year’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 and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor’s responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the 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 2010 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 Reverse Corp 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.

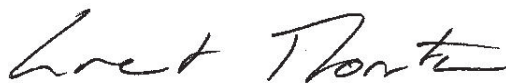
Independence

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

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 Reverse Corp Limited is not in accordance with the Corporations Act 2001, including:

- 1 Giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- 2 Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



A F Newman
Director - Audit & Assurance

Brisbane, Dated 16 February 2011