



Reverse Corp Limited
ACN 085 949 855

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COMPANY ANNOUNCEMENT

21 February 2012

Reverse Corp Limited (ASX: REF) – Half-Year Results Announcement

Reverse Corp Limited reports revenue of \$5.6 million, earnings before interest, tax, depreciation & amortisation (EBITDA) of \$286,000 and net profit after tax (NPAT) of \$11,000 for the six months to 31 December 2011.

This result meets company guidance and reflects:

- Overall call volumes increased with growth in reverse charge calls to mobiles partially offset by a reduction in calls to fixed lines
- Investment in marketing and promotions to support expanded product features and grow market share in Australia and the United Kingdom
- Technical trial costs in New Zealand
- Reducing payphone usage

As previously announced, Reverse Corp has finalised negotiations with Telstra Corporation for its Australian Reverse Charge Services Facilitation Agreement. In addition to continued billing to Telstra fixed lines for up to 5 years, further benefits negotiated include providing access to Telstra mobile customers allowing them to make and receive 1800-Reverse calls. This commenced in early December 2011 and is currently driving growth in Australian call volumes. Importantly, Reverse Corp will also manage Telstra's reverse charge products on the 1800-Reverse platform.

Discussions are progressing with the remaining major Australian mobile service provider to further extend access to the 1800-Reverse service and significant progress is being made towards trialling a service in Spain.

Although the company is unable to provide full year guidance at this stage, the impact of new agreements together with marketing and product initiatives are expected to drive growth in earnings in the second half of this financial year and beyond.

The Company continues to assess further opportunities, including geographic expansion, in order to leverage its strong brand recognition, proven service platform and experienced products team.

By Order of the Board

Dion Soich
Company Secretary

REVERSE CORP LIMITED

ACN 085 949 855

Appendix 4D

Half-year report

for the half-year ended 31 December 2011

(previous corresponding period: half-year ended 31 December 2010)

Results for announcement to the market:

Revenue from ordinary activities (\$000)	down 31.7%	to \$5,600
Profit from ordinary activities after tax attributable to members (\$000)	down 99.2%	to \$11
Net Profit after tax attributable to members (\$000)	down 99.2%	to \$11

Dividend:

The board has not declared an interim dividend.

	31 Dec 2011	31 Dec 2010
Net tangible assets per security:	\$0.03	\$0.04

**Reverse Corp Limited
and Controlled Entities**

ABN 16 085 949 855

Financial Report for the half-year ended 31 December 2011

**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 2011.

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

During the half-year the company completed the renewal of its Reverse Charge Services Facilitation Agreement with Telstra delivering renewed billing of the Australian fixed line reverse charge product for up to a further 5 years. Additional benefits include allowing Telstra mobile customers to make and receive 1800-Reverse calls with the product commencing in December 2011. The company will also manage Telstra's reverse charge products on the 1800-Reverse platform.

Net profit after tax for the half-year ended 31 December 2011 was \$0.01 million compared to \$1.3 million for the same period last year while revenue for the period was \$5.6 million compared with \$8.2 million for the corresponding period. Total reverse charge calls for the group increased compared to the same period last year however margins reduced due to the impact of marketing initiatives and increases in direct costs in Australia as well as reductions in fixed line calls.

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 21st day of February 2012

Grant Thornton Audit Pty Ltd
ABN 91 130 913 594
ACN 130 913 594

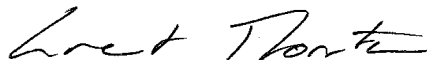
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**Auditor's Independence Declaration
To The Directors of Reverse Corp Limited**

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 2011, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Andrew Newman
Director - Audit & Assurance

Brisbane, 21 February 2012

**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 2011**

	Note	Half-year ended 31 Dec 2011 \$000	Half-year ended 31 Dec 2010 \$000
Revenue		5,527	8,157
Other revenue		73	44
Direct costs associated with revenue	2	(3,711)	(3,937)
Employee benefits expense	2	(1,133)	(1,101)
Depreciation and amortisation expense		(325)	(456)
Other expenses	2	(375)	(636)
Finance costs	2	(33)	(56)
Share of net profit / (loss) of associate		(22)	(38)
Profit before income tax		1	1,977
Income tax benefit/(expense)		10	(678)
Profit for the period		11	1,299
Other comprehensive income			
Foreign currency translation differences		(11)	(275)
Income tax on other comprehensive income		4	85
Other comprehensive income for the period, net of income tax		(7)	(190)
Total comprehensive income for the period		4	1,109
Continuing operations			
Basic earnings per share (cents per share)		0.0	1.4
Diluted earnings per share (cents per share)		0.0	1.4

The accompanying notes form part of these financial statements.

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

Interim Financial Report

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011**

	31 Dec 2011	30 Jun 2011
	Note	\$000
	\$000	\$000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	2,553	3,070
Trade and other receivables	1,226	1,527
Inventories	6	6
Other current assets	257	104
TOTAL CURRENT ASSETS	4,042	4,707
NON-CURRENT ASSETS		
Investments accounted for using equity method	125	92
Property, plant and equipment	1,058	1,349
Deferred tax assets	112	113
Intangible assets	3,101	2,539
Other non-current assets	4	1
TOTAL NON-CURRENT ASSETS	4,400	4,094
TOTAL ASSETS	8,442	8,801
CURRENT LIABILITIES		
Trade and other payables	1,114	1,400
Financial liabilities	1,124	1,106
Current tax liabilities	(161)	(162)
Short-term provisions	142	159
TOTAL CURRENT LIABILITIES	2,219	2,503
NON-CURRENT LIABILITIES		
Financial liabilities	92	200
Deferred tax liabilities	82	58
TOTAL NON-CURRENT LIABILITIES	174	258
TOTAL LIABILITIES	2,393	2,761
NET ASSETS	6,049	6,040
EQUITY		
Issued capital	3,553	3,553
Reserves	515	517
Retained earnings	1,981	1,970
TOTAL EQUITY	6,049	6,040

The accompanying notes form part of these financial statements.

**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 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
Subtotal		-	-	11	11
Balance at 31 December 2010		3,553	1,959	565	6,077
Balance at 1 July 2011		3,553	1,970	517	6,040
Total comprehensive income for the period		-	11	(7)	4
Subtotal		3,553	1,981	510	6,044
Transactions with owners in their capacity as owners:					
Employee share options		-	-	5	5
Subtotal		-	-		
Balance at 31 December 2011		3,553	1,981	515	6,049

The accompanying notes form part of these financial statements.

**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 2011

	Half-year ended 31 Dec 2011	Half-year ended 31 Dec 2010
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	6,016	9,477
Payments to suppliers and employees	(5,849)	(6,489)
Interest received	73	44
Finance costs	(33)	(56)
Income tax paid	41	(662)
Net cash provided by (used in) operating activities	248	2,314
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(30)	(52)
Payments for intangible assets	(593)	(81)
Investment in joint venture	(55)	(75)
Net cash provided by (used in) investing activities	(678)	(208)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	416
Repayment of borrowings	(97)	(91)
Hire purchase payments	(4)	(4)
Net cash provided by (used in) financing activities	(101)	321
Net increase in cash and cash equivalents	(531)	2,427
Cash and cash equivalents at beginning of period	3,070	1,480
Effect of exchange rates on cash holdings in foreign currency	14	(275)
Cash and cash equivalents at end of period	2,553	3,632

The accompanying notes form part of these financial statements.

**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 2011

NOTE 1: BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2011 have been prepared in accordance with the 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 2011, 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 2011

	Half-year ended 31 Dec 2011 \$000	Half-year ended 31 Dec 2010 \$000
NOTE 2: PROFIT FOR THE PERIOD		
Expenses		
Direct costs associated with revenue	3,711	3,937
Other employee benefits expense include:		
Share based payments	5	11
Other expenses include:		
Realised foreign exchange (gain)/ loss	10	(216)
Finance costs:		
- External	33	56
NOTE 3: DIVIDENDS		
Dividends paid		
No dividend has been declared for the half-year ended 31 December 2011. (2010: N/A)		
	-	-

**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 2011

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 2011 and 31 December 2010.

Half-year ended 31 December 2011	Australia \$000	New Zealand \$000	Spain \$000	United Kingdom \$000	Republic of Ireland \$000	Inter Segment Eliminations \$000	Group \$000
REVENUE							
External revenue	3,441	51	-	1,935	49	-	5,476
Other revenue	1	-	-	50	-	-	51
Inter-segment revenue	298	-	-	-	-	(298)	-
Interest revenue	74	-	-	1	-	(2)	73
Total revenue	3,814	51	-	1,986	49	(300)	5,600
RESULT							
Segment result	(432)	(100)	(7)	583	(43)	-	1
OTHER SEGMENT INFORMATION							
Segment assets	17,067	92	354	3,491	341	(12,903)	8,442
Segment liabilities	8,125	443	394	474	406	(7,450)	2,392
Interest in associates	125	-	-	-	-	-	125
Share of net profits of associates	(22)	-	-	-	-	-	(22)
Interest expense	33	-	-	2	-	(2)	33
Capital expenditure	584	-	36	3	-	-	623
Depreciation and amortisation	287	-	-	3	35	-	325
Income tax expense	(113)	(30)	(12)	158	(13)	-	(10)

**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 2011

NOTE 4: SEGMENT INFORMATION (cont)

Half-year ended 31 December 2010	Australia*	United Republic Kingdom of Ireland	Inter Segment Eliminations	Group
	\$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	8,201
RESULT				
Segment result	957	1,068	(49)	1,977
OTHER SEGMENT INFORMATION				
Segment assets	19,711	5,902	7	10,116
Segment liabilities	8,417	3,202	280	4,039
Interest in associates	57	-	-	57
Share of net profit/(loss) of associates	(38)	-	-	(38)
Interest expense	83	-	31	56
Capital expenditure	108	17	-	52
Depreciation and amortisation	417	3	36	456
Income tax expense	313	369	(4)	678

* Parent entity costs are included in the Australian segment information only and not allocated between Australia, New Zealand, the United Kingdom, the Republic of Ireland and Spain. 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 2011

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.

**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 2011 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 21st day of February 2012

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Independent Auditor's Review Report To the Members of Reverse Corp Limited

We have reviewed the accompanying half-year financial report of Reverse Corp Limited (“Company”), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 2011 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.

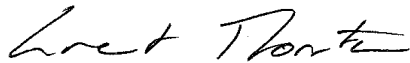
Independence

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:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Andrew Newman
Director - Audit & Assurance

Brisbane, 21 February 2012