REVERSE CORP LIMITED

Annual General Meeting

24 November 2011

AGENDA

Reverse Corp Limited

Australia, the UK and Ireland's leading Reverse Charge Service Provider

- Snapshot
- Australia
- United Kingdom
- Ireland
- International Expansion
- Capital Management
- Outlook
- Conclusion

SNAPSHOT

Year to 30 June	2011	2010
(AUD $m)		
Revenue	$15.0	$23.7
EBITDA	$3.2	$9.5 *
EBIT	$2.3	$8.4 *
NPAT	$1.3	$4.0
Operating cash flow	$2.4	$7.6
EPS (cps)	1.4	4.3

(*2010: Pre impairment loss of $1.47 million)

- Group performance impacted by stronger Australian dollar, declining call volumes, trial costs in New Zealand and increased variable charges
- Continuing roll out of renewed marketing campaigns and expanded mobile product features in each country driving call volumes

AUSTRALIA

Year to 30 June	2011	2010
AUD ($m)		
Revenue	$9.4	$12.2
EBITDA	$2.0	$4.4*
EBITDA margin	21%	36%

(*2010: Pre impairment loss of $1.47 million)

- Reduction in EBITDA margin due to new contracted service terms plus fixed costs representing a greater % of revenue
- Employee benefit cost savings realised
- Increasing calls to mobile phones offset by reducing calls to fixed lines. No further increase in contracted mobile base during 2011
- Services Agreement with Telstra Corporation now extended for up to a further 5 years with an expanded relationship including access to 1800-Reverse from Telstra mobile customers

UNITED KINGDOM

Year to 30 June	2011	2010
(AUD $m / GBP £m)		
Revenue	$5.4	$11.3
	£3.3	£6.3
EBITDA	$1.6	$5.5
	£1.0	£3.1
EBITDA margin	30%	49%

- Reduction in EBITDA margin due to fixed costs representing a greater % of revenue
- Employee benefit cost savings realised
- Increasing calls to mobile phones partially offset by reducing calls to fixed lines
- Stronger Australian dollar negatively impacted earnings
- Renewed marketing campaign and expanded mobile product driving call volumes

IRELAND

Year to 30 June	2011	2010
Operating revenue	$113,000	$194,000
	€82,000	€125,000
EBITDA	$16,000	($394,000)
	€11,000	(€245,000)

- Ireland making a positive EBITDA contribution
- Expanded mobile product feature offered from August 2011
- Operating metrics of mobile product being refined prior to launch of marketing campaign

INTERNATIONAL EXPANSION

Spain

- The company has received a favourable ruling from the Spanish telecommunications regulator, CMT, permitting launch of a service
- Further progress made towards technical launch to facilitate an investment decision

New Zealand

- Technical trial of new service in New Zealand completed
- Operating metrics to be refined to ensure profitable operations with service currently on-hold

Period to 30 June	2011
Revenue	$110,000
EBITDA	($398,000)

CAPITAL MANAGEMENT

❑ Operating cash flow to 30 June 2011	$2.4 million
❑ Cash on hand as at 31 October 2011	$3.0 million
❑ Debt as at 31 October 2011	$1.3 million

- Foreign exchange exposure hedged naturally with GBP debt
- The Board has retained earnings to fund growth opportunities

OUTLOOK

- Earning guidance for half-year to 31 December 2011:
  - Expect EBITDA between $0.2 million to $0.3 million
    - Overall call volume increases lead by growing calls to mobiles partially offset by reducing calls to fixed lines
    - Marketing campaigns in Australia and UK to support new products and grow market share
    - Technical trial costs in New Zealand
    - Reduced payphone usage
    - Strong Australian dollar negatively impacting translation of offshore earnings

- New Agreements:
  - Signed extension to Telstra Reverse Charge Services Facilitation Agreement:
    - Extended fixed-line billing for up to a further 5 years
    - Allows Telstra mobile customers to make and receive 1800-Reverse calls. Service anticipated to commence in early December and expected to drive growth in Australian call volumes
    - Reverse Corp to manage Telstra's reverse charge products on the 1800-REVERSE platform
  - In continuing discussions with remaining Australian mobile carrier for access to 1800-Reverse service

- Expect improved financial performance in second half of financial year and beyond

CONCLUSION

- Company now positioned for return to growth through new agreements and marketing product initiatives
- Management priorities:
  - Continue to grow enhanced mobile products to drive incremental call volumes
  - Secure Vodafone Mobile Origination in Australia
  - Refine operations in Ireland and New Zealand
  - Trial service in Spain
  - Assess further growth opportunities
- Leverage core capabilities:
  - Strong brand recognition
  - Experienced telecommunications and related products team

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