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Media Release

For Immediate Release

Wellington completes agreement with Ziehl-Abegg AG

Wellington has completed an agreement with its ventilation customer Ziehl-Abegg AG (“Ziehl”), concluding the negotiations noted as in progress in the Interim Report released to the market on August 26th. The agreement is materially consistent with the expected outcomes reflected in the Interim Report.

All previous agreements between Ziehl and Wellington have been replaced by this new agreement, the material terms of which are as follows:

- Wellington will complete delivery of motors and components against orders of US\$ 6.3 million placed by Ziehl. Manufacturing of these final orders at Wellington’s Singapore facility is expected to be completed by the end of March 2012;
- Completion of the final orders will consume most of the inventory that Wellington currently holds for these products. The cost of any components that remain after completion will be born equally by Wellington and Ziehl;
- In lieu of all warranty and support obligations, Wellington will supply Ziehl with an agreed quantity of motors and components in addition to the above final orders.
- The estimated residual cost of Wellington’s share of remaining inventory, together with the cost of additional motors and components to be supplied to Ziehl, is US\$745,000, consistent with provisions in Wellington’s recent interim result.
- Wellington has granted Ziehl an exclusive licence to manufacture and distribute the motors developed for Ziehl and previously supplied by Wellington. As part of the settlement process associated with the agreement, this licence will not result in any new license fee royalty payments to Wellington additional to development fees already received from Ziehl.

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Wellington Drive Technologies Ltd

16-22 Omega Street, Rosedale, North Shore City 0632, New Zealand
PO Box 302-533, North Harbour, North Shore City 0751, New Zealand
Telephone: +64 9 414 6590 Facsimile: +64 9 414 6591
Email: info@wdtl.com Website: www.wdtl.com

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Completion of this agreement is the major step in Wellington's restructuring program, enabling the company to focus on its strongly growing refrigeration business, while reducing overhead costs and working capital. Manufacturing of some ventilation motors for other Wellington customers is being transferred to contract manufacturing partners in order to further reduce operating expenditure.

Wellington's commercial refrigeration business continues to perform in line with the strong growth trends apparent in the results announced recently for the first half year.

Tony Nowell
Chairman
+64 9 414 6590