



21 August 2002

## **Wellington Drive Full Year 2002 Result:**

*Seven New Programmes Announced as Market Accelerates*

### **Financial Year 2002 Result**

The unaudited consolidated loss before tax and before unusual items in the 2002 financial year was \$2.67M, compared with \$2.1M the previous year. After unusual items of \$0.29M (from a write-down of the Company's development costs capitalized in respect of Benshire Pty. Ltd.), the consolidated loss was \$2.95M.

Licensing royalties, product sales and engineering fees of \$0.33M made up the bulk of total revenue of \$0.53M. Total expenses at \$3.2M (before unusual items) were increased by \$0.56M compared to the previous year, associated with on-going product development, external certifications and testing, depreciation of production equipment and some stocks, and staff costs in engineering and sales.

At 30 June 2002 the Company had approximately \$2.5M on deposit with which to continue to execute its plans.

### **Strategy**

The Company has seen a considerable increase in customer interest as a result of both further product refinement and a move to provide "installation ready" motor products for customers. Furthermore, the motor market as a whole has shown distinct signs of accelerated adoption of electronically-commutated (EC) motors (the general area in which the Company specializes) over the past year.

The present marketing and sales strategy promotes sales of samples and paid proof-of-concept work with selected market-leading companies, prior to direct supply of complete motors from New Zealand, and/or production under licence. This has been welcomed by prospects, with seven new contracts being obtained since December.

As the Company's market visibility has increased, and the EC motor market as a whole is accelerating, a stronger and trademarked "WELLINGTON" branding was adopted in early August.

Until November 2001, marketing and sales activity aimed to conclude new licensing agreements involving payment of substantial up-front fees. This approach was modified to reduce the financial risk for prospective customers and licensees interested in using the Company's technologies. Prospective licensees are now offered access to Wellington technologies for tightly defined applications only. The Company believes this step will allow it to revert to its initial licensing model as its technologies become more widely adopted.

## The Future

The Company has secured several new product development programmes within the premium air-moving appliance segment of the OEM market. Business has also been secured in other high volume appliance areas. While revenues from orders obtained since December are not immediately substantial, all programmes have significant medium-term revenue potential.

Production of DE066 motors and CH070 controllers began in June as planned to satisfy a European order placed in December 2001. Full CE certification was obtained in July. The end customer commences retail sales of their product in September 2002. Several additional prospective production orders for DE066 units are under discussion.

The Company has secured supply arrangements so that complete fan and blower products, based on its motors, can be supplied. Since these lines were launched earlier this year, a steady flow of orders for samples has been received, and deliveries made. The Company is confident that some of these sampling programmes will yield worthwhile business during this financial year.

The overall market movement towards EC motors is accelerating. WELLINGTON's products and technologies are gaining momentum in the marketplace. The strategy followed since December has built on earlier initiatives and is yielding results quickly. The Company believes that it is well placed as the market continues to evolve.

For further information on WELLINGTON and its products, visit [www.wdtl.com](http://www.wdtl.com) or [www.ecmotors.com](http://www.ecmotors.com).

A handwritten signature in black ink, appearing to read "Ross Green". The signature is fluid and cursive, with a horizontal line underneath the name.

Dr Ross Green,  
Managing Director

**PRELIMINARY ~~HALF YEAR~~/FULL YEAR REPORT ANNOUNCEMENT  
...Wellington Drive Technologies Limited...**

(Name of Listed Issuer)

**For ~~Half Year~~/Full Year Ended.....30 June 2002..... (date)**  
(referred to in this report as the "current ~~half year~~/full year")

Preliminary ~~Half year/full year~~ report on consolidated results (including the results for the previous corresponding ~~half year~~/full year) in accordance with Listing Rule 10.4.2.

This report has been prepared in a manner which complies with generally accepted accounting practice and gives a true and fair view of the matters to which the report relates [see Note (X) attached] and is based on ~~\*audited/~~**unaudited** accounts. If the report is based on audited accounts, any qualification made by the auditor is to be attached.

The Listed Issuer ~~\*has/~~**does not have** a formally constituted Audit Committee of the Board of Directors.

*Note: This consolidated operating statement should be read in conjunction with the ~~\*\*supplementary statement after line 4(c), as to the unrealised net changes in the value of investment properties.~~*

[PLEASE REFER TO ATTACHED NOTES WHEN COMPLETING THIS FORM]

CONSOLIDATED OPERATING STATEMENT		
Current <del>half year</del> /full year \$NZ'000	*Up/ Down %	Previous corresponding <del>half year</del> /full year \$NZ'000
<b>1. OPERATING REVENUE</b>		
(a) Sales revenue	+	
334	11.3%	300
(b) Other revenue		271
(c) Total operating revenue		\$571
(2(a) OPERATING <del>SURPLUS</del> (DEFICIT) BEFORE UNUSUAL ITEMS AND TAX		(2,068)
(b) Unusual items for separate disclosure		-
<b>(c) OPERATING <del>SURPLUS</del> (DEFICIT) BEFORE TAX</b>	+	(2,068)
(d) Less tax on operating profit		-
(e) Operating <del>surplus</del> (deficit) after tax but before minority interests		(2,068)
(f) Less minority interests		-
(g) Equity earnings [detail in item 19 below]		-
<b>(h) OPERATING <del>SURPLUS</del> (DEFICIT) AFTER TAX ATTRIBUTABLE TO MEMBERS OF LISTED ISSUER</b>		(2,068)
3(a) Extraordinary Items after tax [detail in 6(a)below]		-
(b) Less Minority Interests		-
(c) Extraordinary items after tax attributable to Members of the Listed Issuer		-
<b>4(a) TOTAL OPERATING <del>SURPLUS</del> (DEFICIT) AND EXTRAORDINARY ITEMS AFTER TAX [2(e) + 2(g) + 3(a) ABOVE]</b>		(2,068)
(b) Operating <del>Surplus</del> (Deficit) and Extraordinary Items after Tax attributable to Minority Interests [Items 2(f) + 3(b) above]		-
<b>(c) OPERATING <del>SURPLUS</del> (DEFICIT) AND EXTRAORDINARY ITEMS AFTER TAX ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER [2(h) + 3(c) ABOVE]</b>	+	(\$2,068)
	42.9%	

\* Delete as required

\*\* The supplementary statement to detail the treatment and amounts of unrealised net changes in the value of investment properties adopted in accordance with SSAP 17 and showing the relevant line of the consolidated operating statement adjusted to take into account that treatment.

## 5. DETAILS OF SPECIFIC RECEIPTS/OUTLAYS, REVENUES/EXPENSES FOR ~~HALF YEAR~~/FULL YEAR

# Items marked in this way need be shown only where their inclusion as revenue or exclusion from expenses has had a material effect on reported ~~surplus~~ (deficit)

- (a) Interest revenue included in Item 2(c) above
- (b) # Interest revenue included in 5(a) above but not yet received
- (c) Interest expense included in Item 2(c) above (include all forms of interest, lease finance charges, etc.)
- (d) # Interest costs excluded from 5(c) above and capitalised in asset values
- (e) # Outlays (other than those arising from the acquisition of an existing business) capitalised in intangibles
- (f) Depreciation including all forms of amortisation and writing down of property/investment
- (g) Write-off of intangibles
- (h) Unrealised changes in value of investments (except for investment properties if the supplementary statement after line 4c has been completed)

CONSOLIDATED	
Current <del>half year</del> /full year \$NZ'000	Previous corresponding <del>half year</del> /full year \$NZ'000
131	240
-	-
-	-
-	-
-	-
468	106
-	-
-	-

## 6.(a) UNUSUAL AND EXTRAORDINARY ITEMS OF THE GROUP

DETAILS AND COMMENTS	GROUP - CURRENT <del>HALF YEAR</del> /FULL YEAR		
	Before tax \$NZ'000	Related income tax \$NZ'000	After Tax \$NZ'000
Unusual Items -item 2(b) above Write off of J.V. development costs	286	-	-
Total Unusual items	286	-	-
Extraordinary Items - item 3(a) above	-	-	-
Total extraordinary items	-	-	-

## 6.(b) COMMENTS BY DIRECTORS

If no report in any section, state NIL. If insufficient space below, provide details in the form of notes to be attached to this report.

- i Material factors affecting the revenues and expenses of the group for the current ~~half year~~/full year

### Refer attached statement

- ii Significant trends or events since end of current ~~half year~~/full year .....
- .....
- iii. Changes in accounting policies since last Annual Report and/ or last Half Yearly Report to be disclosed .....
- .....

\*Delete as required

## 7. EARNINGS PER SECURITY

Calculation of basic and fully diluted, EPS in accordance with IAS33:  
Earnings Per Share

- (a) Basic EPS
- (b) Diluted EPS (if materially different from (a))

CONSOLIDATED	
Current <del>*half year/</del> full year Cents	Previous corresponding <del>*half year/</del> full year Cents
(2.79 cents)	(2.05 cents)

## 8.(a) MATERIAL ACQUISITIONS OF SUBSIDIARIES [see Note (VII) attached]:

- (i) Name of subsidiary or group of subsidiaries. N/A
- (ii) Contribution to consolidated \*surplus(deficit) and extraordinary items after tax. \$ \_\_\_\_\_
- (iii) Date from which such contribution has been calculated. .....N/A.....
- (iv) Operating \*surplus(deficit) and extraordinary items after tax of the subsidiary for the previous corresponding half year/full year \$ \_\_\_\_\_

## (b) MATERIAL DISPOSALS OF SUBSIDIARIES [see Note (VII) attached]:

- (i) Name of subsidiary or group of subsidiaries. N/A
- (ii) Contribution to consolidated operating \*surplus(deficit) and extraordinary items after tax from operation of subsidiary. \$ \_\_\_\_\_
- (iii) Date to which such contribution has been calculated. .....N/A.....
- (iv) Contribution to consolidated operating \*surplus(deficit) and extraordinary items after tax for the previous corresponding half year/full year \$ \_\_\_\_\_
- (v) Contribution to consolidated operating \*surplus(deficit) and extraordinary items from sale of subsidiary. \$ \_\_\_\_\_

## 9. REPORTS FOR INDUSTRY AND GEOGRAPHICAL SEGMENTS

Information on the industry and geographical segments of the Listed Issuer is to be reported for the \*half year/full year in accordance with the provisions of SSAP:23: Financial Reporting for Segments. Because of the differing nature and extent of segments among Listed Issuers, no complete proforma is provided, and the segment information should be completed separately and attached to this report. However, the following shows a suitable list of items for presentation and indicates which amounts should agree with items included elsewhere in the \*half year/full year report:

### SEGMENTS

- Operating revenue: }
  - Sales to customers outside the group }
  - Intersegment sales }
  - Unallocated revenue } Wellington Drive Technologies Limited is a
- Total revenue [consolidated total equal to Item 1(c) above] } Technology owning company operating in a
- Segment result } single industry segment developing,
- Unallocated expenses } manufacturing, marketing its brushless
- Operating surplus after tax (before equity accounting) [Equal to Item 2(e) above] } electric motors for worldwide use. It is New
- Segment assets } Zealand based and there are no
- Unallocated assets } geographic segments.
- Total assets [Equal to Item 10(n) below] }

Delete as required

## STATEMENT OF ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY

[Note (VIII) attached has particular relevance for the preparation of this statement]

		CONSOLIDATED		
		At end of current *half year/full year	As shown in last Annual Report	If half yearly as shown in last Half Yearly Report
		\$NZ'000	\$NZ'000	\$NZ'000
<b>10. CURRENT ASSETS</b>				
(a)	Cash	2,473	3,335	
(b)	Receivables	149	259	
(c)	Investments	-	-	
(d)	Inventories	146	21	
(e)	Other –Tax refundable	10	49	
(f)	<b>TOTAL CURRENT ASSETS</b>	<b>2,778</b>	<b>3,664</b>	
	<b>NON-CURRENT ASSETS</b>			
(g)	Receivables	-	-	
(h)	Investments	-	-	
(i)	Inventories	-	-	
(j)	Property, plant and equipment	450	446	
(k)	Intangibles	-	-	
(l)	Other –JV development costs	-	274	
(m)	<b>TOTAL NON-CURRENT ASSETS</b>	<b>450</b>	<b>720</b>	
(n)	<b>TOTAL ASSETS</b>	<b>3,228</b>	<b>4,384</b>	
<b>11. CURRENT LIABILITIES</b>				
(a)	Accounts payable	447	350	
(b)	Borrowings	-	-	
(c)	Provisions	-	-	
(d)	Other – Deferred rental income	51	51	
(e)	<b>TOTAL CURRENT LIABILITIES</b>	<b>498</b>	<b>401</b>	
	<b>NON-CURRENT LIABILITIES</b>			
(f)	Accounts payable			
(g)	Borrowings	-	-	
(h)	Provisions	-	-	
(i)	Other– Deferred rental income	173	224	
(j)	<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>173</b>	<b>224</b>	
(k)	<b>TOTAL LIABILITIES</b>	<b>671</b>	<b>625</b>	
(l)	<b>NET ASSETS</b>	<b>\$2,557</b>	<b>\$3,759</b>	
<b>12. SHAREHOLDERS' EQUITY</b>				
(a)	Share capital	15,808	14,055	
(b)	Reserves			
	(i) Revaluation reserve	-	-	
	(ii) Other reserves	-	-	
(c)	Retained surplus (accumulated deficit)	(13,251)	(10,296)	
(d)	<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MEMBERS OF THE HOLDING COMPANY</b>	<b>2,557</b>	<b>3,759</b>	
(e)	Outside equity interests in subsidiaries			
(f)	<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>\$2,557</b>	<b>\$3,759</b>	

\*Delete as required

## STATEMENT OF CASH FLOWS FOR ~~\*HALF YEAR~~/FULL YEAR

[See Note (IX) attached]

	Current <del>*half year</del> /full year \$NZ'000	Previous corresponding <del>*half year</del> /full year \$NZ'000
<b>13. CASH FLOWS RELATING TO OPERATING ACTIVITIES</b>		
(a) Receipts from customers	510	237
(b) Interest received	131	241
(c) Dividends received	-	-
(d) Payment to suppliers and employees	(3,074)	(2,185)
(e) Interest paid	-	-
(f) Income taxes refunded/(paid)	39	(37)
(g) Other	-	-
<b>(h) NET OPERATING CASH FLOWS</b>	<b>(2,394)</b>	<b>(1,744)</b>
<b>14. CASH FLOWS RELATED TO INVESTING ACTIVITIES</b>		
(a) Cash proceeds from sale of property, plant and equipment	-	-
(b) Cash proceeds from sale of equity investments	-	-
(c) Loans repaid by other entities	-	-
(d) Cash paid for purchases of property, plant and equipment	(209)	(408)
(e) Interest paid - capitalised	-	-
(f) Cash paid for purchases of equity investments	-	-
(g) Loans to other entities	-	-
(h) Other – JV development costs	(12)	(49)
<b>(i) NET INVESTING CASH FLOWS</b>	<b>(221)</b>	<b>(457)</b>
<b>15. CASH FLOWS RELATED TO FINANCING ACTIVITIES</b>		
(a) Cash proceeds from issues of shares, options, etc.	1,753	3,904
(b) Borrowings	-	-
(c) Repayment of borrowings	-	-
(d) Dividends paid	-	-
(e) Other	-	-
<b>(f) NET FINANCING CASH FLOWS</b>	<b>1,753</b>	<b>3,904</b>
<b>16. NET INCREASE <del>(DECREASE)</del> IN CASH HELD</b>	<b>(862)</b>	<b>1,703</b>
(a) Cash at beginning of <del>*half year</del> /full year	3,335	1,632
(b) Exchange rate adjustments to Item 16(a) above	-	-
<b>(c) CASH AT END OF <del>*HALF YEAR</del>/FULL YEAR</b>	<b>\$2,473</b>	<b>\$3,335</b>
<b>17. NON-CASH FINANCING AND INVESTING ACTIVITIES</b>		

Provide details of financing and investing transactions which have had a material effect on group assets and liabilities but did not involve cash flows.

.....  
 .....  
 .....

\*Delete as required

## 18. RECONCILIATION OF CASH

For the purposes of the above statement of cash flows, cash includes:.....

.....Cash on hand, bank cheque accounts and overdrafts, bank call and short term deposits .....

Cash at the end of the ~~\*half year~~/full year as shown in the statement of cash flows is reconciled to the related items in the accounts as follows:

Cash on hand and at bank

Deposits at call

Bank Overdraft

Other (provide details) Short term bank deposits

TOTAL = CASH AT END OF ~~\*HALF YEAR~~/FULL YEAR [Item 16(c) above]

Current <del>Half Year</del> /Full Year \$NZ'000	Previous corresponding <del>*Half Year</del> /Full Year \$NZ'000
9	5
343	712
-	-
2,121	2,618
\$2,473	\$3,335

### (a) EQUITY ACCOUNTED ASSOCIATED COMPANIES AND OTHER MATERIAL INTERESTS

Information attributable to the reporting group's share of investments in associated companies and other material interests is to be disclosed by way of separate note below (refer SSAP:8 Accounting for Business Combinations).

#### (i) GROUP SHARE OF RESULTS OF ASSOCIATED COMPANIES

(a) OPERATING \*SURPLUS (DEFICIT) BEFORE TAX

(b) Less tax

**I OPERATING \*SURPLUS (DEFICIT) AFTER TAX**

(d) (i) Extraordinary items (gross)

(ii) Less tax

(iii) Extraordinary items (net)

(e) OPERATING \*SURPLUS (DEFICIT) AND EXTRAORDINARY ITEMS AFTER TAX

(f) Less dividends paid to group

(g) NET \*ADDITION TO (REDUCTION IN) EQUITY CARRYING VALUE OF INVESTMENTS FROM CURRENT PROFITS (ITEM 2(g) ABOVE)

EQUITY EARNINGS	
Current <del>*half year</del> /full year \$NZ'000	Previous corresponding <del>*half year</del> /full year \$NZ'000
N/A	N/A

\*Delete as required

(ii) MATERIAL INTERESTS IN CORPORATIONS NOT BEING SUBSIDIARIES:

(a) The Group has a material (from group's viewpoint) interest in the following corporations:

Name	Percentage of ordinary shares held at end of <del>*half year</del> /full year		Contribution to operating *surplus(deficit) and extraordinary items after tax	
	Current <del>*half year</del> / full year	Previous corresponding <del>*half year</del> / full year	Current <del>*half year</del> /full year \$NZ'000	Previous corresponding <del>*half year</del> /full year \$NZ'000
<u>Equity accounted associated companies</u>			Equity Accounted	
N/A				
<u>Other material interests</u>			Not Equity Accounted	
N/A				

(b) INVESTMENTS IN ASSOCIATED COMPANIES

Carrying value of investments in  
associated companies (CV)

Share of associated companies' retained  
profits and reserves not included in CV:

Retained surplus

Reserves

Equity carrying value of investments

Current <del>*half year</del> /full year \$NZ'000	Previous corresponding <del>*half year</del> /full year \$NZ'000
N/A	N/A

\*Delete as required

## 20. ISSUED AND QUOTED SECURITIES AT END OF CURRENT ~~HALF YEAR~~/FULL YEAR

Category of Securities	Number Issued	Number Quoted	Paid-Up Value (If not fully paid)
<b>PREFERENCE SHARES:</b>			
# (Description)			
Issued during current <del>half year</del> /full year			
<b>ORDINARY SHARES:</b>			
Issued at 1 <sup>st</sup> July 2001	104,007,246	104,007,246	14,055,000
Issued during current <del>half year</del> /full year			
March 2002 issue for cash	6,000,000	6,000,000	1,478,000
April 2002 options exercised for cash	<u>2,000,000</u>	<u>2,000,000</u>	<u>275,000</u>
Issued at 30 <sup>th</sup> June 2002	<u>112,007,246</u>	<u>112,007,246</u>	<u>\$15,808,000</u>
<b>CONVERTIBLE NOTES</b>			
# (Description)	N/A		
Issued during current <del>half year</del> /full year			
<b>OPTIONS:</b>			
		<b>Exercise Price</b>	<b>Expiry Date</b>
	2,000,000	not quoted	\$0.15125
	2,000,000	not quoted	\$0.166375
	1,000,000	not quoted	0.1830125
Issued during current <del>half year</del> /full year			
Employee Share Option Plan	900,000	\$0.528	26 Oct 2004
<b>DEBENTURES - Totals only:</b>			
	\$.....	\$.....	
<b>UNSECURED NOTES - Totals only:</b>			
	\$.....	\$.....	
<b>OTHER SECURITIES</b>			
	\$.....	\$.....	

# Description includes rate of dividend or interest and any redemption or conversion rights together with the prices and dates thereof.

**21. DIVIDEND:** If a decision regarding a dividend has been made, file a completed copy of Appendix 7 with this form.  
No dividends proposed


**22. ANNUAL MEETING**

(a) To be advised.

(b) To be advised.

(c) Approximate date of availability of Annual Report to be advised

If this ~~half year~~/full year report was approved by resolution of the Board of Directors, please indicate date of meeting:

  
 (signed by) Authorised Officer of Listed Issuer

21 August 2002..... (date)

\*Delete as required