



13 August 2003

Wellington Drive Full Year 2003 Result:

Good Market Response Begins to Come Through to Financial Results

Financial Year 2003 Result

The unaudited consolidated loss for Wellington Drive Technologies Ltd (Wellington) before tax and before unusual items in the 2003 financial year was \$2.33M, compared with \$2.96M the previous year.

Licensing royalties, product sales and engineering fees of \$0.84M made up the bulk of total revenue of \$0.95M. Total expenses at \$3.0M (excluding cost of goods sold) were largely unchanged from the previous year. Product development, sales and marketing activity were sustained at levels similar to the previous year, while investments in production equipment and stocks increased moderately reflecting a rising demand for Wellington's line of finished motors.

At 30 June 2003 Wellington had approximately \$1.2M on short-term deposit. On 6 August 2003 Directors announced plans to raise \$3.69M by way of a 1:8 renounceable rights issue. The capital raised will enable Wellington to continue its progress, strengthen its production activities in New Zealand (through investment in additional production capacity and inventory levels to meet expected growing sales volumes), expand and enhance the range of finished products and designs Wellington can offer and strengthen its international marketing and sales efforts.

Strategy and Progress

Wellington sells a unique and proprietary design of small electric motor targeted at premium segments of the appliance market. Its motors, together with Wellington's related electronics and software, offer distinct advantages to appliance manufacturers and consumers including energy savings, low noise and reduced size and weight at a cost-effective price.

Over the past year Wellington believes it has achieved a modest degree of acceptance by the market as a supplier of motors since the first deliveries were made to Vent-Axia Ltd (United Kingdom) in June 2002.

Vent-Axia Ltd placed further orders during 2003, while two formal Supply Agreements with other leading European companies in the air movement sector were concluded in May and July 2003. Together these Supply Agreements envisage production (in New Zealand) and delivery to Europe of 45,000 Wellington motors during the 12 months from February 2004. Although the final order levels are subject to confirmation, these agreements are expected to yield revenues in excess of \$3M over that 12-month period. Several other companies are evaluating samples and Wellington is confident that further orders will be obtained.



These Supply Agreements are evidence that the market has welcomed Wellington's establishment of a small-scale manufacturing capability. Furthermore, we believe that Wellington's ability to quickly supply sample quantities of motors to industry-standard quality levels, conforming fully to applicable European standards, has given useful support to our technology licensing activity.

Wellington's position as a supplier of motor technology has also been confirmed through the granting of four licence agreements during the year. Agreements were executed with Aweco GmbH and Arçelik S.A. both of whom are substantial European appliance component (Aweco) and complete appliance (Arçelik) manufacturers. An agreement has also been executed with a third leading European manufacturer; the agreement contains confidentiality provisions that preclude release of the company name or product type at this stage. An agreement has also been executed with Australian manufacturer, Seeley International Pty Ltd.

These agreements are important achievements for Wellington. Aweco claims to be Europe's largest manufacturer of components for "wet" appliances and it supplies all of the major European dishwasher brands, making millions of components per year. Arçelik is a leading global manufacturer of household appliances with revenues of NZ\$3.1bn (EUR1,570M), including NZ\$1.4bn (EUR725M) of sales in Western Europe. Seeley International is regarded as the world's technological leader in manufacturing of evaporative air conditioners, exporting to approximately 60 countries.

Wellington expects to continue granting licences to leading companies that have strong market positions and product-specific design and manufacturing skills that would not otherwise be available to us. We believe that this strategy will accelerate the overall market penetration of Wellington motors.

To efficiently support the growing level of activity in Europe, Wellington opened a sales and logistics office in Cambridgeshire, United Kingdom in April 2003. If European order levels increase as expected, the staffing and scope of activities of the United Kingdom office may be expanded. An increased level of activity with Asian subcontractors, principally for the supply of electronic assemblies and magnets, is being managed via a representative office in Kuala Lumpur, Malaysia, established earlier in the year. One staff member is being based in Sacramento, California from September 2003 to support sales and marketing activities in the United States.

The Future

Wellington's strategy is beginning to deliver tangible results. We will therefore be continuing with our programme of offering complete motors (together with associated electronics and software) in formats that can be easily adopted as "drop-in" replacements for motors from other suppliers. Wellington will be releasing two new motors (derived from existing products but with different ratings) at the IKK Exhibition in Hannover, Germany in October. Pre-release examples of these motors have been sampled to customers over the past few months.

The release of these products means that we will then have coverage over most of the premium air movement segment. As results to date have been achieved with products that cover a minority portion of requirements in that market we believe that these product releases will spur additional demand.

The regulatory environment in both Europe and the United States (which together are believed to constitute approximately 70% of the world market for electric motors) is evolving rapidly to give additional impetus to the adoption of energy efficient technologies such as Wellington's motors. Regulatory changes, particularly if associated with any upturn in the general levels of economic activity in Europe and the United States, are expected to give further impetus to the adoption of Wellington's motors in 2005 and 2006.



A small number of further licence agreements, similar to those granted to date, are presently being discussed. These licences, if they are concluded, will have a positive effect on cashflow.

Despite the good prognosis, it remains difficult to provide projections of future profitability with reliability or precision. However, Directors believe that the net loss before tax for the year ending 30 June 2004 will be further reduced from the 2003 financial year and that Wellington will move into profit for the year ending 30 June 2005.

For further information on Wellington and its products, visit www.wdtl.com or www.ecmotors.com.

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 2003..... (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 *half year /full year \$NZ'000	*Up/ Down %	Previous corresponding *half year /full year \$NZ'000
1. OPERATING REVENUE			
(a) Sales revenue	839	+ 151%	334
(b) Other revenue	114		198
(c) Total operating revenue	\$953		\$532
2(a) OPERATING SURPLUS (DEFICIT) BEFORE UNUSUAL ITEMS AND TAX	(2,325)		(2,669)
(b) Unusual items for separate disclosure	-		(286)
(c) OPERATING *SURPLUS (DEFICIT) BEFORE TAX	(2,325)	+ 21.3%	(2,955)
(d) Less tax on operating profit	-		-
(e) Operating *surplus (deficit) after tax but before minority interests	(2,325)		(2,955)
(f) Less minority interests	-		-
(g) Equity earnings [detail in item 19 below]	-		-
(h) OPERATING *SURPLUS (DEFICIT) AFTER TAX ATTRIBUTABLE TO MEMBERS OF LISTED ISSUER	(2,325)		(2,955)
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	-		-
4(a) TOTAL OPERATING *SURPLUS (DEFICIT) AND EXTRAORDINARY ITEMS AFTER TAX [2(e) + 2(g) + 3(a) ABOVE]	(2,325)		(2,955)
(b) Operating *Surplus (Deficit) and Extraordinary Items after Tax attributable to Minority Interests [Items 2(f) + 3(b) above]	-		-
(c) OPERATING SURPLUS (DEFICIT) AND EXTRAORDINARY ITEMS AFTER TAX ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER [2(h) + 3(c) ABOVE]	(\$2,325)	+ 21.3%	(\$2,955)

* 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 * half year /full year \$NZ'000	Previous corresponding * half year /full year \$NZ'000
114	131
-	-
-	-
-	-
-	-
196	468
-	-
-	-

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

DETAILS AND COMMENTS	GROUP - CURRENT * HALF YEAR /FULL YEAR		
	Before tax \$NZ'000	Related income tax \$NZ'000	After Tax \$NZ'000
Unusual Items -item 2(b) above	-	-	-
Total Unusual items	-	-	-
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 *half year/ full year Cents	Previous corresponding *half year/ full year Cents
(2.01 cents)	(2.79 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] }

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
10.	CURRENT ASSETS			
(a)	Cash	1,204	2,473	
(b)	Receivables	271	149	
(c)	Investments	-	-	
(d)	Inventories	285	146	
(e)	Other –Tax refundable	-	10	
(f)	TOTAL CURRENT ASSETS	1,760	2,778	
	NON-CURRENT ASSETS			
(g)	Receivables	-	-	
(h)	Investments	-	-	
(i)	Inventories	-	-	
(j)	Property, plant and equipment	672	450	
(k)	Intangibles	-	-	
(l)	Other –development costs	209	-	
(m)	TOTAL NON-CURRENT ASSETS	881	450	
(n)	TOTAL ASSETS	2,641	3,228	
11.	CURRENT LIABILITIES			
(a)	Accounts payable	433	447	
(b)	Borrowings	-	-	
(c)	Provisions	-	-	
(d)	Other – Deferred rental income	51	51	
(e)	TOTAL CURRENT LIABILITIES	484	498	
	NON-CURRENT LIABILITIES			
(f)	Accounts payable			
(g)	Borrowings	-	-	
(h)	Provisions	-	-	
(i)	Other– Deferred rental income	122	173	
(j)	TOTAL NON-CURRENT LIABILITIES	122	173	
(k)	TOTAL LIABILITIES	606	671	
(l)	NET ASSETS	\$2,035	\$2,557	
12.	SHAREHOLDERS' EQUITY			
(a)	Share capital	17,611	15,808	
(b)	Reserves			
	(i) Revaluation reserve	-	-	
	(ii) Other reserves	-	-	
(c)	Retained surplus (accumulated deficit)	(15,576)	(13,251)	
(d)	SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MEMBERS OF THE HOLDING COMPANY	2,035	2,557	
(e)	Outside equity interests in subsidiaries			
(f)	TOTAL SHAREHOLDERS' EQUITY	\$2,035	\$2,557	

*Delete as required

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

[See Note (IX) attached]

	Current *half year /full year \$NZ'000	Previous corresponding *half year /full year \$NZ'000
13. CASH FLOWS RELATING TO OPERATING ACTIVITIES		
(a) Receipts from customers	677	517
(b) Interest received	114	131
(c) Dividends received	-	-
(d) Payment to suppliers and employees	(3,282)	(3,081)
(e) Interest paid	-	-
(f) Income taxes refunded/(paid)	10	39
(g) Other	-	-
(h) NET OPERATING CASH FLOWS	(2,481)	(2,394)
14. CASH FLOWS RELATED TO INVESTING ACTIVITIES		
(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	(382)	(209)
(e) Interest paid - capitalised	-	-
(f) Cash paid for purchases of equity investments	-	-
(g) Loans to other entities	-	-
(h) Other – Development costs	(209)	(12)
(i) NET INVESTING CASH FLOWS	(591)	(221)
15. CASH FLOWS RELATED TO FINANCING ACTIVITIES		
(a) Cash proceeds from issues of shares, options, etc.	1,803	1,753
(b) Borrowings	-	-
(c) Repayment of borrowings	-	-
(d) Dividends paid	-	-
(e) Other	-	-
(f) NET FINANCING CASH FLOWS	1,803	1,753
16. NET INCREASE (DECREASE) IN CASH HELD	(1,269)	(862)
(a) Cash at beginning of *half year /full year	2,473	3,335
(b) Exchange rate adjustments to Item 16(a) above	-	-
(c) CASH AT END OF HALF YEAR/FULL YEAR	\$1,204	\$2,473
17. NON-CASH FINANCING AND INVESTING ACTIVITIES		

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

.....

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 Half Year /Full Year \$NZ'000	Previous corresponding *Half Year /Full Year \$NZ'000
25	9
160	343
-	-
1,019	2,121
\$1,204	\$2,473

(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 *half year /full year \$NZ'000	Previous corresponding *half year /full year \$NZ'000
N/A	N/A

(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 *half year /full year		Contribution to operating *surplus(deficit) and extraordinary items after tax	
	Current *half year / full year	Previous corresponding *half year / full year	Current *half year /full year \$NZ'000	Previous corresponding *half year /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 *half year /full year \$NZ'000	Previous corresponding *half year /full year \$NZ'000
N/A	N/A

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)
PREFERENCE SHARES:			
# (Description)			
Issued during current half year /full year			
ORDINARY SHARES:			
Issued at 1st July 2002	112,007,246	112,007,246	15,808,000
Issued during current half year /full year			
September 2002 issue for cash	4,000,000	4,000,000	1,500,000
April 2003 options exercised for cash	<u>2,000,000</u>	<u>2,000,000</u>	<u>303,000</u>
Issued at 30th June 2003	<u>118,007,246</u>	<u>118,007,246</u>	<u>\$17,611,000</u>
CONVERTIBLE NOTES			
# (Description)	N/A		
Issued during current half year /full year			
OPTIONS:			
		Exercise Price	Expiry Date
	2,000,000	not quoted	\$0.166375
	1,000,000	not quoted	0.1830125
Employee Share Option Plan	900,000	not quoted	\$0.528
Issued during current half year /full year			
Employee Share Option Plan	600,000	not quoted	\$0.491
DEBENTURES - Totals only:	\$.....-	\$.....	
UNSECURED NOTES - Totals only:	\$.....	\$.....	
OTHER SECURITIES	\$.....	\$.....	

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 14 August 2003.....
 (date)