Wellington™

Media Release

25 February 2005

For immediate release

Half-Year Result

Overview

Wellington continues to make good progress. A major focus during the half-year has been on meeting contracted delivery dates to customers, mainly in Europe, for standard motor, electronics and software products. All required delivery dates were met successfully, although most of the products involved were manufactured on short lead times and had to be dispatched by airfreight. Production costs were thus substantially higher than anticipated, affecting our financial results for the half-year to December.

We continue to see a good level of enquiries and orders from new and existing customers for supply of standard products. Because of this, we are confident that our product range is well positioned in the marketplace and that awareness of our products is strong and growing. The market for energy efficient motors continues to show signs of accelerating.

Although it is impossible to describe a loss-making situation as satisfying, directors and management are confident that the strategic direction the Company is following is correct, and that the foundations for a prosperous future for the Company are being built.

Our most significant obstacle currently is matching the increasing demand for our products to the escalation of our production capability, we are making steady progress on the expansion of our manufacturing capacity in Asia to alleviate this. We will begin to see the benefits of our Asian supply chain coming through into our financial results progressively throughout the remainder of the 2005 calendar year. Once the supply chain is fully established we will be able to match capacity to demand in a more efficient manner as our sales levels grow.

An air conditioning product, using a Wellington motor manufactured under license in Australia, enjoyed a good level of sales over the recent summer season; sales levels were several times greater than our expectations. Our European refrigeration compressor project is progressing towards completion close to the planned schedules. There have been some delays in product launches at two licensees that have in turn delayed some payments, thus affecting our financial results.

Since the half-year balance date we have received a new order from a European company for development of a Wellington motor for a category of home appliance that we have not worked with previously. Although this programme is still in the early stages, it provides an entry point to a new and large segment of the appliance market for us. Several other European projects are at various stages of negotiation and completion.

Given the good level of demand for our products and development services, and our expanded Asian supply chain beginning to come on stream, we expect that the next six months will see Wellington further strengthen its position as a motor supplier and a provider of special "Total Integration" appliance motor solutions. This should see the Company's revenues continue to accelerate.

Financial Summary

The Company recorded a loss of $2.54m in the half-year to 31st December 2004, compared to a loss of $1.25m incurred in the half-year to 31st December 2003 and a loss of $1.7m in the half-year to 30 June 2004. Revenues from product sales and engineering fees were almost four times greater than those recorded in the same period the previous year. Total operating revenue was just under $1.2m which was higher than the revenue recorded in the full financial year ending 30 June 2004.

Total operating expenditure was higher than the same period the previous year. The bulk of this was increased cost of goods sold associated with the increased numbers of products manufactured and delivered (and including exceptional airfreight costs and temporary direct labour costs). Strengthening of the production management and logistics team and expansion of our representation in the United States and Southern Europe added approximately $0.3m from the same period in the previous year. Amortization of development costs were $0.2m higher and depreciation was $0.2m higher than the six months to 31 December 2003, reflecting a moderate increase in investment in fixed assets.

Fixed assets at $1.4m were $0.5m greater than those recorded in the half-year to 31st December 2003, reflecting on going investment in equipment for motor and electronics production.

Stocks held at 31st December 2004 were $1.1m, increased from $0.4m at the same time the previous year. Stocks include finished motors in transit to our UK distribution centre and certain longer lead time components purchased in conjunction with the expansion of production capacity currently in progress.

In February 2005 (post balance date) Wellington placed 6m shares to funds managed by Hunter Hall Investment Management at 52.5c.

Standard Products

We have continued to increase sales of standard products. Three times as many motors were manufactured and dispatched during the half-year ending 31 December 2004 than in the complete 2003/4 financial year. The number of motors already in service with end customers is now approximately double the figure as at 30th June 2004 and the performance in service continues to be excellent.

Our ability to generate revenues has been constrained by a lack of motor production capacity, as reported at the Company's AGM in late November. We have been focusing on satisfying orders from our existing customers and have been unable to convert to orders, and service, new enquiries to the extent that we would wish. We have also had to ask our existing customers to slow the ramp-up of their usage of our motors until we have adequate capacity to fully support them.

Since the half-year balance date we have begun to accept new orders. Some of these orders will be fulfilled before the end of this financial year, although we will begin to deliver to many of them commencing early in the next financial year.

We are continuing to take a conservative approach in this respect. To be certain that we can meet our delivery commitments, our forward order book is being held equal to our current production capacity. As our capacity in Asia expands we believe we will have little difficulty filling that capacity.

Some twenty companies are presently in trial phase with our standard products.

Nevertheless, our production team was able to increase output sufficiently, particularly in the last three months of the calendar year, to get us (for the first time) ahead of accepted customer orders. This has enabled us to have a modest buffer stock on hand at our distribution centre in the United Kingdom.

To achieve this in the timescales necessary our production labour force was augmented with temporary staff whom, given the present tight labour market locally, were expensive. The half-year result also includes the high freight costs associated with airfreight of motors to Europe to meet deadlines. As reported at the AGM we have been using surface freight since December and we do not expect to need to fall back on airfreight again for delivery of motors from New Zealand.

The first subassemblies from our contracted Asian production facilities begin to enter our supply chain in March this year. Other motor components and subassemblies from Asia will enter our supply chain progressively over the next 9 months. Most of the production in Asia is done by selected subcontractors using machinery that they already use for other types of products, so we are not required to invest in large amounts of equipment ourselves.

The selected subcontractors' work is of high standard and there are significant cost savings compared to production in New Zealand. The reductions in freight costs are also substantial. We will begin to see improvements in margin progressively as New Zealand-built stocks are consumed, and the full benefits of our Asian motor production activity will likely be fully manifested in our results by early in the 2006 calendar year. Once our Asian supply chain is fully established and operating smoothly we expect to be able to increase our capacity to any level reasonably required, with a lead time on capacity increases of three to six months.

Consequently, we also expect to see relative stock levels decline in the future, although volatility in stock levels will continue for at least the next twelve months.

We are planning to stabilize our New Zealand production capacity approximately at present levels (50,000 to 100,000 motors per year, depending on motor complexity), although we expect that temporary staff will be rarely required in the future. The New Zealand team will be deployed for initial production runs of new motor designs, and for short production runs of special purpose products.

We have moved forward with our own arrangements to hold stocks of products in the United States, in anticipation of an increase in deliveries there from May 2005. Our ECR motor, used for commercial refrigerators like supermarket chilled product cabinets, reached an important milestone when it was certified by Underwriters' Laboratories ("UL") USA in January.

Also in January the European Patent Office approved the granting of a patent on one of our new motor construction methods. This patent is particularly important because it is the foundation of all the standard motors that we produce today. New patents have also been granted in several jurisdictions, including the USA, on an important new method for the construction of axial flux (flat or "pancake") motors. Consequently, our patent portfolio has been thoroughly refreshed, with coverage on important methods extending now past 2020.

Product quality/reliability, both in the field (many products now in service for over two years in Europe) and in Wellington's in-house endurance testing, continues to be excellent.

Licensing and Engineering Services

There have been some delays in product launches from licensees that have in turn delayed some payments that we expected in late 2004 and others that we expected early this calendar year. Our team has not had direct involvement in these programmes for several months, although we have advised the affected licensees that we are ready to assist if required. We expect that the issues causing these delays will be successfully resolved and that the main issue is one of timing.

Our programme with Arçelik A.Ş. (Turkey) concerning high efficiency compressors for domestic and light industrial refrigerators is nearing completion close to schedule. The compressor was launched at an exhibition in Nuremberg, Germany in October 2004. The major components of the pilot production line are being completed in New Zealand now and will be handed over to Arçelik soon. Pilot production is expected to begin in Turkey before the end of this financial year.

We received an order in January 2005 to design another home appliance motor, and the related electronics and software, for a leading European company. This represents the first steps in a major development programme that is expected to conclude with production of Wellington motors under license by the European partner. This order introduces our technology to another area of the high volume appliance market that we haven't addressed to date. For reasons of commercial confidentiality we aren't able to release further details at this stage.

Discussions are continuing with several other parties for licenses in Europe.

Our North American licensee, A O Smith Electrical Products Company Inc. has made new appointments at senior management level. Our program with A O Smith remains delayed. We believe that A O Smith's new management team is focusing currently on fundamental issues associated with higher materials costs and shrinking margins in its core electric motor business, and has not yet completed its planning in respect to the introduction of new product lines, like Wellington's.

Discussions are continuing in the United States with several other organizations who are interested in using Wellington methods, particularly for motors that are built-in as part of the end product ("Total Integration"). While we expect a positive conclusion to negotiations with these partners, it is not yet known when conclusion will be reached.

Outlook

As reported previously, we expect that the Company will report a loss for the full year ending on 30 June 2005. The range of outcomes is wide, and the full year outcome still remains dependent on numerous discrete events, such as completion of licensing negotiations currently in progress. Deliveries should accelerate in the last quarter of this financial year although, as discussed above, most of the anticipated growth will happen after June 30th and is expected to continue more predictably thereafter.

Wellington continues to make solid progress and we are convinced that the Company is becoming well positioned to capitalize on evident market demand. Delays continue to occur in some areas, but generally Wellington's sales levels are ramping up and the level of inquiry is accelerating. Over the next six months (and thereafter) we expect to see a significant increase in product sales with continuing progress on new and existing licensing/partnering programs. We anticipate that revenues will continue to accelerate and cost of supply will reduce, particularly as the Asian supply chain progressively kicks in. Both factors are expected to result in improving financial results for the Company over the six months to 30 June 2005 and thereafter.

For further information visit www.wdtl.com.

Dr Ross M Green
Managing Director
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RM Green 25/2/2005

PRELIMINARY FULL YEAR REPORT ANNOUNCEMENT

Wellington Drive Technologies Limited

(Name of Listed Issuer)

For Full Year Ended 31 December 2004

(referred to in this report as the "current half year")

Preliminary **Half year** report on consolidated results (including the results for the previous corresponding half 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 **unaudited** financial statements. If the report is based on audited financial statements, any qualification made by the auditor is is to be attached.
The Listed Issuer **has** a formally constituted Audit Committee of the Board of Directors.

[PLEASE REFER TO ATTACHED NOTES WHEN COMPLETING THIS FORM]

	Consolidated Statement Financial Performance		
1 CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE	Current half year $NZ'000	Up/(Down) %	Previous corresponding half year $NZ'000
1.1 OPERATING REVENUE			
(a) Trading Revenue	1,047	141.8%	433
(b) Other Revenue	146		60
(c) Total Operating Revenue	$1,193	142.0%	$493
1.2 OPERATING (DEFICIT) BEFORE TAXATION	(2,543)		(1,247)
(a) Less taxation on operating result	-		-
1.3 OPERATING (DEFICIT) AFTER TAX	(2,543)		(1,247)
(a) Extraordinary Items after Tax [detail in Item 3]	-		-
(b) Unrealised net change in value of investment properties	-		-
1.4 NET (DEFICIT) FOR THE PERIOD	(2,543)		(1,247)
(a) Net *Surplus (Deficit) attributable to minority interests	-		-
1.5 NET (DEFICIT) ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER	($2,543)	-103.9%	($1,247)

	Consolidated Statement of Financial Performance	
2 DETAILS OF SPECIFIC RECEIPTS/OUTLAYS, REVENUES/ EXPENSES FOR FULL YEAR	Current half year $NZ'000	Previous corresponding half year $NZ'000
2.1 INCLUDED IN CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE		
(a) Interest revenue included in Item 1.1(b)	111	55
(b) # Unusual items for separate disclosure (gain/loss) (detail - Item 3)	-	-
(c) Equity earnings (gain/loss) (detail - Item 16)	-	-
(d) Interest expense included in Item 1.2 (include all forms of interest, etc)	-	-
(e) Leasing and renting expenses	107	96
(f) Depreciation	212	97
(g) Diminuton in the value of assets (other than depreciation)	-	-
(h) Amortisation of goodwill	-	-
(i) Amortisation of other intangible assets	109	20
(j) Impairment of goodwill	-	-
(k) Impairment of other intangible assets	-	-

		Consolidated Statement of Financial Performance	
		Current half year $NZ'000	Previous corresponding half year $NZ'000
2.2	**SUPPLEMENTARY ITEMS**		
	(a) # Interest costs excluded from Item 2.1(d) and capitalised	-	-
	(b) # Outlays (other than those arising from the acquisition of an existing business) capitalised in intangibles	-	-
	(c) Unrecognised differences between the carrying value and market value of publicly traded investments	-	-

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

		Group - Current Half Year	
3	**DISCONTINUED, UNUSUAL (INCLUDING NON RECURRING), AND EXTRAORDINARY ITEMS OF THE GROUP**	Operating Revenue $NZ'000	Operating Surplus $NZ'000
	DETAILS AND COMMENTS		
	Discontinued Activities:	-	-
	(Disclose Operating Revenue and Operating Surplus)		
	TOTAL DISCONTINUED ACTIVITIES	-	-
	Material Unusual (including Non Recurring) Items (included in 1.2)	-	-
	Description:		
	TOTAL MATERIAL NON RECURRING ITEMS	-	-
	Extraordinary Items (Ref. Item 1.3(a))		
	Description:		
	TOTAL EXTRAORDINARY ITEMS	-	-

		Statement of Movements In Equity	
4	**STATEMENT OF MOVEMENTS IN EQUITY**	Current half year $NZ'000	Previous corresponding half year $NZ'000
4.1	***NET (DEFICIT) ATTRIBUTABLE TO MEMBERS OF LISTED ISSUER**	(2,543)	(1,247)
	(a) *Net Surplus (Deficit) attributable to minority interest	-	-
4.2	**OTHER RECOGNISED REVENUE AND EXPENSES**		
	(a) *Increases (decreases) in revaluation reserves	-	-
	(b) Current Translation Differences	-	-
	(c) Minority interest in other recognised revenue and expenses	-	-
4.3	**TOTAL RECOGNISED REVENUES AND EXPENSES**	(2,543)	(1,247)
4.4	**OTHER MOVEMENTS**		
	(a) Contributions by Owners	4,139	3,633
	(b) Distributions to Owners	-	-
	(c) Other	-	-
4.5	**EQUITY AT BEGINNING OF HALF YEAR**	5,157	2,035
4.6	**EQUITY AT END OF HALF YEAR**	$6,753	$4,421

		Earnings Per Security	
5 EARNINGS PER SECURITY Calculation of basic and fully diluted, EPS in accordance with IAS33: Earnings Per Share		Current half year $NZ'000	Previous corresponding half year $NZ'000
(a) Basic EPS	cents	(3.47)	(1.97)
(b) Diluted EPS (if materially different from (a))			

6 MATERIAL ACQUISITIONS OF SUBSIDIARIES (See Note (VII

(a) Name of subsidiary or group of subsidiaries N/A

(b) Percentage of ownership acquired

(c) Contribution to consolidated net *Surplus (Deficit) (Item 1.4) $

(d) Date from which such contribution has been calculated

$

7 MATERIAL DISPOSALS OF SUBSIDIARIES (See Note (VII) attached)

(a) Name of subsidiary or group of subsidiaries N/A

(b) Contribution to consolidated net *Surplus (Deficit) (Item 1.4) $

(c) Date from which such contribution has been calculated

(d) Contribution to consolidated net *Surplus (Deficit) (Item 1.4) for the previous corresponding half year/full year

(e) Contribution to consolidated net *Surplus (Deficit) (Item 1.4) from sale of subsidiary $

8 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 segm information should be completed separately and attached to this report. However, the following shows a suitabl list of items for presentation and indicates which amounts should agree with items included elsewhere in the *ha year/full year report:

SEGMENTS

Industry

- Operating revenue:
  - * Sales to customers outside the group
  - * Intersegment sales
  - * Unallocated revenue
- Total revenue [consolidated total equal to Item 1.1(c) above]
- Segment result
- Unallocated expenses
- Operating surplus (Deficit) after tax (Item 1.3)
- Segment assets
- Unallocated assets
- Total assets (Equal to Item 9.3)

Geographical

- Operating revenue:
  - * Sales to customers outside the group
  - * Intersegment sales
  - * Unallocated revenue
- Total revenue [consolidated total equal to Item 1.1(c) above]
- Segment result
- Unallocated expenses
- Operating surplus (Deficit) after tax (Item 1.3)
- Segment assets
- Unallocated assets
- Total assets (Equal to Item 9.3)

Wellington Drive Technologies Limited is a Technology owning company operating in a single industry segment developing, manufacturing, marketing its brushless electric motors for worldwide use. It is New Zealand based and there are no industry or geographic segments.

(Note (VIII) attached has particular relevance for the preparation 9 CURRENT ASSETS:	Consolidated Statement of Financial Position At end of current half year $NZ'000	As shown in last Annual Report $NZ'000	If half yearly as shown in last half yearly report $NZ'000
(a) Cash	3,023	2,266	2,866
(b) Trade receivables	717	491	160
(c) Investments	-	-	-
(d) Inventories	1,073	746	401
(e) Other assets, current	-	-	-
TOTAL CURRENT ASSETS	$4,813	$3,503	$3,427
9.1 NON-CURRENT ASSETS			
(a) Trade receivables	-	-	-
(b) Investments	-	-	-
(c) Inventories	-	-	-
(d) Property, plant and equipment	1,412	1,318	908
(e) Goodwill	-	-	-
(f) Deferred Taxation Assets	-	-	-
(g) Other Intangible Assets	1,254	1,047	680
(h) Other assets, non current	-	-	-
9.2 TOTAL NON-CURRENT ASSETS	$2,666	$2,365	$1,588
9.3 TOTAL ASSETS	$7,479	$5,868	$5,015
9.4 CURRENT LIABILITIES			
(a) Trade Creditors	583	572	446
(b) Income in advance, current	-	-	-
(c) Secured loans	-	-	-
(d) Unsecured loans	-	-	-
(e) Provisions, current	45	17	-
(f) Other liabilities, current	51	51	51
TOTAL CURRENT LIABILITIES	$679	$640	$497
9.5 NON-CURRENT LIABILITIES			
(a) Accounts payable, non-current	-	-	
(b) Secured loans	-	-	-
(c) Unsecured loans	-	-	-
(d) Provisions, non-current	-	-	-
(e) Deferred Taxation Liability, non-current	-	-	-
(f) Other liabilities, non-current	47	71	97
9.6 TOTAL NON-CURRENT LIABILITIES	$47	$71	$97
9.7 TOTAL LIABILITIES	$726	$711	$594
9.8 NET ASSETS	$6,753	$5,157	$4,421
9.9 SHAREHOLDERS' EQUITY			
(a) Share capital (optional)	27,816	23,677	21,244
(b) Reserves (optional) (i) Revaluation reserve			
(ii) Other reserves			
(c) Retained Surplus (accumulated Deficit) (optional)	(21,063)	(18,520)	(16,823)
9.10 SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER	6,753	5,157	4,421
(a) Minority equity interests in subsidiaries	-	-	
9.11 TOTAL SHAREHOLDERS' EQUITY	$6,753	$5,157	$4,421
(a) Returns on Assets (%) (EBIT divided by Total Assets)	-65.0%	-48.1%	-47.5%
(b) Return on Equity (%) (Net Income divided by Shareholders' Equity)	-85.4%	-81.9%	-77.3%
(c) Debt to Equity Ratio (%) (Total Liabilities divided by Shareholders' Equity)	10.8%	13.8%	13.4%

		Consolidated Statement of cashflows for half year	
(See Note (IX) attached) **10 CASH FLOWS RELATING TO OPERATING ACTIVITIES**		Current half year $NZ'000	Corresponding half year $NZ'000
(a)	Receipts from customers	979	570
(b)	Interest received	111	55
(c)	Dividends received	-	-
(d)	Payments to suppliers and employees	(3,845)	(1,759)
(e)	Interest paid	-	-
(f)	Income taxes paid	-	-
(g)	Other cash flows relating to operating activities	-	-
	NET OPERATING FLOWS	($2,755)	($1,134)
(See Note (IX) attached) **11 CASH FLOWS RELATING 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	(312)	(347)
(e)	Interest paid - capitalised	-	-
(f)	Cash paid for purchases of equity investments	-	-
(g)	Loans to other entities	-	-
(h)	Other cash flows relating to investing activities	(315)	(490)
	NET INVESTING CASH FLOWS	($627)	($837)
(See Note (IX) attached) **12 CASH FLOWS RELATED TO FINANCING ACTIVITIES**			
(a)	Cash proceeds from issue of shares, options, etc.	4,139	3,633
(b)	Borrowings	-	-
(c)	Repayment of borrowings	-	-
(d)	Dividends paid	-	-
(e)	Other cash flows relating to financing activities	-	-
	NET FINANCING CASH FLOWS	$4,139	$3,633
(See Note (IX) attached) **13 NET INCREASE (DECREASE IN CASH HELD)**			
(a)	Cash at beginning of full year	2,266	1,204
(b)	Exchange rate adjustments to Item 12.3(a) above	-	-
(c)	**CASH AT END OF FULL YEAR**	$3,023	$2,866

14 NON-CASH FINANCING AND INVESTING ACTIVITIES

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

15 RECONCILIATION OF CASH

For the purposes of the above Statement of cash flows, cash includes:

Cash at the end of the full year as shown in the statement of cash flows is reconciled to the related items in the financial statements as follows:

	Current half year NZ$'000	Previous Corresponding half year NZ$'000
Cash on hand and at bank	97	165
Deposits at call	96	361
Bank overdraft	-	-
Other (short term deposits)	2,830	2,340
Total = Cash at End of Half Year (Item 13(c) above)	$3,023	$2,866

16 EQUITY ACCOUNTED INVESTMENTS IN ASSOCIATES

Information attributable to the reporting group's share of investments in associates and other material interests is to be disclosed by way of separate note below (refer FRS-38 Accounting for Investments in Associates).

16.1 GROUP SHARE OF RESULTS OF ASSOCIATES

N/A

	Equity Earnings	
	Current half year $NZ'000	Previous corresponding half year $NZ'000
(a) OPERATING *SURPLUS (DEFICIT) BEFORE TAX	-	-
(b) Less tax	-	-
(c) OPERATING *SURPLUS (DEFICIT) AFTER TAX	-	-
(i) Extraordinary items	-	-
(d) NET *SURPLUS (DEFICIT) AND EXTRAORDINARY ITEMS AFTER TAX	-	-

16.2 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		Contribution to net *surplus (deficit) (Item 1.5)	
Equity Accounted Associates	Current Half Year	Previous Corresponding Half Year	Current Half Year NZ$'000	Previous Corresponding Half Year NZ$'000
			Equity Accounted in current year	
N/A				
Other Material Interests			*Not Equity Accounted in current year*	
N/A				

(b) Investments in Associates

	Current half year $NZ'000	Previous Corresponding half year $NZ'000
Carrying value of investments in associates beginning of half year/ full year		
Share of changes in associates' post acquisition surpluses/and reserves:		
- Retained surplus	N/A	N/A
- Reserves		
Net goodwill amortisation and impairment adjustments in the period		
Less Dividends received in the period		
Equity carrying value of investments at the end of half year year		
Amount of goodwill included in carrying value at end of that half year year		

17 ISSUED AND QUOTED SECURITIES AT END OF CURRENT HALF YEAR

Category of Securities	Number Issued	Number Quoted	Cents	Paid-Up Value (If not fully paid)
PREFERENCE SHARES:				
# (Description)				
Issued during current half year	N/A	N/A	N/A	
ORDINARY SHARES:				
Issued at beginning of half year	138,699,156	138,699,156		
Issued during current half year:				
Aug 04 cash issue	9,750,000	9,750,000	42.5	
Issued at end of half year	148,449,156	148,449,156		
CONVERTIBLE NOTES				
# (Description)				
Issued during current half year				
OPTIONS:	Issued	Quoted	Exercise Price	Expiry Date
Issued at beginning of half year	1,000,000	not quoted	15.397	1 Apr 05
	900,000	not quoted	49.896	26 Nov 04
	500,000	not quoted	46.196	26 Oct 05
	800,000	not quoted	62.85	20 Oct 06
Issued during current half year	1,650,000	not quoted	58.33	16 Jan 08
Lapsed during current half year	(900,000)	not quoted	49.896	26 Nov 04
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.

18 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.

(a) Material factors affecting the revenues and expenses of the group for the current full year

Refer attached

(b) Significant trends or events since end of current full year

Refer attached

(c) Changes in accounting policies since last Annual Report and/or last Half Yearly to be disclosed

N/A

(d) Critical Accounting Policies - Management believes the following to be critical accounting policies. That is they are both important to the portrayal of the Issuer's financial condition and results, as they require management to make judgments and estimates about matters that they are inherently uncertain

N/A

(e) Management's discussion and analysis of financial condition, result and/or operations (optional) - this section should contain forward looking statements that should outline where these involve risk and uncertainty

Refer attached

(f) Other comments

Refer attached

19 DIVIDEND

(a) Dividend Yield as at balance date (%) (Annual dividend per share divided by price per share

N/A

(b) Tax Adjusted Dividend Yield as at balance date (%) (Annual net dividend per share divided by price per share)

N/A

20 ANNUAL MEETING (if full year report)

(a) To be held at

To be advised

(b) Date 200 Time N/A

(c) Approximate date of availability of Annual Report N/A

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

(signed by) Authorised Officer of Listed Issuer

25/2/2005
(date)

*Delete as required