



## Media Release

23 August 2005

# Wellington Drive Technologies Ltd 2005 Full Year Result

## Overview

The year has seen Wellington delivering increased numbers of electronic motors and associated components to European customers, together with good progress with our business that supplies customised motor solutions for licensees. The continuing international focus on energy costs has raised interest levels in our products. However, we have again seen delays adversely affecting our financial results.

Our financial results are disappointing and cast a shadow over the marked improvement in product delivery, mainly to established European customers. Sales enquiries, requests for samples and requests for quotations continue to rise. Despite delays, our Asian supply chain is now near completion and we can satisfy new orders more rapidly this year, with significantly fewer of the costs that have burdened us over the last 12 months. Several new license programmes were also started late in the financial year. All of these new projects are in high volume areas of the appliance industry. Many similar opportunities are available to us as the engineering capacity to service them comes free.

In summary, our financial results show the costs that we have incurred in expanding our production and delivery capability, while not yet reflecting the substantial progress the Company has made on the sales and operating fronts.

## Background Note

*Wellington produces and sells electronically-commutated electric motors for domestic and industrial appliances. We also offer licenses to companies that want to build our designs into their own end products, or make motors for sale, and we provide engineering support services to assist them. Our motors are usually called "EC" or "electronic", because electronic controllers and software are major components within the motors. EC motors have high energy efficiency compared to familiar electric motors, and this is a major reason for demand today, particularly in our target markets in Europe and the United States, where electricity is generated from expensive oil and gas. Using electronic motors saves energy.*

*Wellington electronic motors are efficient and save energy. Compared to other EC motors, our products are usually quieter and vibrate less. Our motors can be made in standard and just as importantly, non-standard shapes more cost effectively than most other types of motors. These factors are important for many types of domestic appliance, giving cost savings and offering better industrial design options. They are the major reasons why a Wellington motor will be chosen over a competitor's product.*

® is a registered Trade Mark of Wellington Drive Technologies Ltd in New Zealand

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## Financial Review

The consolidated loss before tax and before unusual items was \$4.8 million, compared to the loss of \$2.9 million in the year ended 30 June 2004. Revenues from product sales at \$1.5 million were substantially greater than the previous year (\$402,000). Revenues from engineering projects at \$209,000 were lower than the previous year (\$260,000) as we deferred the commencement of new projects until late in the year, devoting resources to our product development and own production transfer activities. Royalty income at \$60,000 increased from the previous year (\$7,000), although the increase was less than expected, due mainly to a licensee delaying the introduction of a dishwasher product to production. Revenues from up-front license fee payments at \$10,000 were lower than the previous year (\$191,000) reflecting a change in our terms of business for Total Integration projects. Under these new terms “up-front” fees are paid once the initial stages of development are completed and the project scope is fully understood by both the customer and ourselves.

We have continued to invest heavily in our own product development, in-market sales and marketing, distribution, production and stock. Costs were higher than last year reflecting these actions (UK distribution centre costs up \$92,000, US sales and marketing costs up \$208,000, depreciation and amortization up \$482,000).

Stock on hand at year end was \$1.6 million, an increase on the previous year (\$746,000). This increase gives us sufficient stock on hand in and in transit to Europe to comfortably meet orders that we already have, and for the first time we have a small buffer so that we can satisfy new orders quickly. Our deliveries increased again in July after the financial year end, although the benefit of this doesn't appear in our 2005 result.

Relative stock levels should decline going forward. Fixed assets at \$1.5 million increased by \$185,000 from the previous year's figure (\$1.3 million), and capitalized development costs were \$1.7 million at year end compared to \$1.0 million the previous year. The increases were again associated mainly with expansions in production capacity, starting production of new motor and controller types and completion of the development of new products.

Although we delivered increased numbers of products last year, most of these were built by our New Zealand team, due to delays in establishing motor production in Asia. Our margins on product sales improved steadily last year, even though we are yet to see any benefit from Asian production in our results.

## Operational Review

### Product Sales and Deliveries

Sales growth remains limited by available production capacity. We expect these pressures to begin to ease over the next few months as our Asian capacity comes fully on line. Nevertheless, the increase in revenues from product sales during the year was good. This trend should continue.

Reliability of our products in service remains excellent.

The first of our new CH160 motor control units entered production late in the year, some four months later than planned. The CH160 offers improved performance, and better pricing and margins, compared to the products it replaces. It is the result of a software and hardware development programme that we have carried out internally over the past three years.



The CH160 is the “platform” for most of our standard and customer-specific “Total Integration” products going forward and is thus a crucial development for us.

The first series production CH160-based products were delivered to European customers in July, after the financial year end. Hence they do not figure in our 2005 results.

A range of conventional induction motors, sourced from Asian partners, has been introduced under our new “AirMoVent” label. This has been done so that customers can continue to purchase from one source as they make the transition to using our high efficiency products. The AirMoVent product line has been offered for two months and has already attracted a substantial number of enquiries and some small sales.

## **Production and Logistics**

Stock levels remain higher than planned, although relative stock levels are expected to reduce over the coming months as the transfer of certain production activities to Asia is completed.

It is disappointing that our Asian production has been delayed. It has taken longer than expected to shake down production there so that consistently high quality is maintained cost-effectively. This has absorbed engineering resources both here and at our partners. These delays had a substantial negative effect on our results last year through additional engineering costs as well as higher costs of goods sold when compared to our expectations.

Nevertheless, we strongly believe that these efforts and costs have been worthwhile. The Asian production arrangements that are in place are appropriate for the supply of millions of units annually and can now be expanded to these levels in stages as sales increase.

Wellington’s UK distribution centre relocated recently to larger premises near Cambridge, UK, as our original premises were too small to cope with current volumes. Our agents in Italy recently opened a small distribution centre, devoted to our products, in Bergamo in anticipation of volume growth in that market. Our agents in Turkey are considering expanding their premises. Turkey is the manufacturing site for much of the commercial refrigeration equipment used in Europe and there is good demand for our products there. Minimum Energy Performance Standards (MEPS) for commercial refrigeration products in Australia has led to an increased enquiry level, so we appointed a Melbourne-based agent in June.

## **Licensing Programmes**

The second major income generating aspect of our business is design and development of specialized motor, electronics and software solutions for specific appliances. We call this service “Total Integration™”. When in production Total Integration designs are usually produced by the customer under license to us. Notable examples of Total Integration designs are the “BreezeAir Icon” evaporative air conditioner produced by Seeley International Pty. Ltd. (Australia), in production now for two years, and the compressor motor for domestic refrigerators which is entering production with Arçelik A.Ş. (Turkey).

As we noted in April, Aweco GmbH (Germany) decided earlier this year that some changes were needed to their Wellington-based dishwasher product. As we receive a royalty payment from Aweco for each product, this delay significantly affected our financial results. A revised design is in preparation. It is likely that Wellington (and our suppliers) will supply Aweco with the majority of the components required for this new design, which should enter production in approximately 12 months.



The production engineering team at Arçelik A.Ş.(Turkey) has begun work on the last details required before the refrigeration compressor we developed with them starts production.

We are currently assisting another European licensee with the last details of the production engineering and regulatory approvals for a confidential new product that should finally be introduced this financial year, following several prior delays.

All of these programmes involve integration of a Wellington motor, electronics and software with the end appliance. Integration reduces overall product component count, and costs, while improving performance and industrial design flexibility.

Our engineering resources last year were devoted to completion of the programmes discussed above, to our own internal product development work and to establishment of production in Asia. Until late in the financial year we had no capacity for new projects.

As some engineering capacity came free in June, it was quickly filled as we began several new programmes for new Northern hemisphere clients in the washing machine, central heating and dishwasher areas. All of these new products are designed to be produced in high volumes with production levels of more than 300,000 units per year being expected in each case. We have several other development programmes under discussion that we expect to schedule as capacity permits.

Seeley International Pty. Ltd (Australia) has been selling since December 2003 an evaporative cooling air conditioner (the “Breezair Icon Series, [www.seeley.com.au](http://www.seeley.com.au)) which uses a Wellington motor built under license. The product is promoted by Seeley as the world’s most energy efficient evaporative air conditioner and continues to enjoy good sales.

We are planning to expand Wellington’s presence in the important North American market by partnering there, and discussions are still progressing with a number of substantial companies in the United States. Enquiries from North America are increasing. Recent legislation in the United States to offer tax credits to US manufacturers of energy-efficient products has stimulated interest in our products.

## **Outlook**

Notwithstanding the disappointing financial results this year, Wellington’s outlook remains strongly positive.

We have established a record of successful delivery to demanding customers and our products are gaining increasing visibility in major markets. The infrastructure for a substantial increase in production levels and sales is largely completed.

Several external drivers are also helping cause an increasing level of enquiries and requests for quotations. The energy saving benefits of Wellington motors are a major factor in all of our present business. The high prices for oil are focusing authorities and consumers on energy efficiency to a greater extent than at any previous time. Market demand for electric motors with good energy efficiency, like Wellington’s, is growing. Energy saving incentives and regulations are being put in place in an increasing number of national and regional jurisdictions.

Consequently, the Company’s internal medium term financial plan shows strong revenue growth over the current financial year and beyond. The medium term plan anticipates good levels of profitability being achieved as revenues and margins on product sales continue to increase.



Wellington is currently targeting the premium appliance motor market. But, over time, with rising production volumes, the development path to achieve competitive prices in the mass market is clear, and Wellington's engineering team is currently progressing designs that are targeted to be price competitive in mass market applications.

The range of realistic outcomes this financial year is still relatively large and, as the experience last year illustrates, the consequences of minor delays can be substantial as we bootstrap ourselves to service larger markets.

Although the delays (and their financial implications) are obviously unwelcome, much has been achieved this year. The Company's medium term future is becoming more predictable, more positive and more secure. Directors, management and staff are continuing to work hard to ensure that Wellington's long term goal of a significant share of the world electric motor market is secured.

For further information visit [www.wdtl.com](http://www.wdtl.com).

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**PRELIMINARY FULL YEAR REPORT ANNOUNCEMENT**

**Wellington Drive Technologies Limited**

(Name of Listed Issuer)

**For Full Year Ended 30 June 2005**

(referred to in this report as the "full year")

Preliminary **full year** report on consolidated results (including the results for the previous corresponding 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 **unaudited** financial statements. If the report is based on audited financial statements, any qualification made by the auditor 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]

1 CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE	Consolidated Statement Financial Performance		
	Current full Year \$NZ'000	Up/(Down) %	Previous corresponding full year \$NZ'000
<b>1.1 OPERATING REVENUE</b>			
(a) Trading Revenue	1,831	110.2%	871
(b) Other Revenue	254		221
(c) Total Operating Revenue	\$2,085	90.9%	\$1,092
<b>1.2 OPERATING (DEFICIT) BEFORE TAXATION</b>	(4,890)	(66.1%)	(2,944)
(a) Less taxation on operating result	-		-
<b>1.3 OPERATING (DEFICIT) AFTER TAX</b>	(4,890)		(2,944)
(a) Extraordinary Items after Tax [detail in Item 3]	-		-
(b) Unrealised net change in value of investment properties	-		-
<b>1.4 NET (DEFICIT) FOR THE PERIOD</b>	(4,890)		(2,944)
(a) Net *Surplus (Deficit) attributable to minority interests	-		-
<b>1.5 NET SURPLUS (DEFICIT) ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER</b>	(\$4,890)	(66.1%)	(\$2,944)

2 DETAILS OF SPECIFIC RECEIPTS/OUTLAYS, REVENUES/ EXPENSES FOR FULL YEAR	Consolidated Statement of Financial Performance	
	Current full year \$NZ'000	Previous corresponding full year \$NZ'000
<b>2.1 INCLUDED IN CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE</b>		
(a) Interest revenue included in Item 1.1(b)	246	121
(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	197	192
(f) Depreciation	440	278
(g) Diminution in the value of assets (other than depreciation)	22	-
(h) Amortisation of goodwill	-	-
(i) Amortisation of other intangible assets	316	18
(j) Impairment of goodwill	-	-
(k) Impairment of other intangible assets	-	-



5 EARNINGS PER SECURITY	Earnings Per Security	
	Current full year \$NZ'000	Previous corresponding full year \$NZ'000
Calculation of basic and fully diluted, EPS in accordance with IAS33: Earnings Per Share		
(a) Basic EPS	(3.27)	(2.25)
(b) Diluted EPS (if materially different from (a))		

6 MATERIAL ACQUISITIONS OF SUBSIDIARIES (See Note (VI))	
(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 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 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)	)

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.

#### 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)	)

(Note (VIII) attached has particular relevance for the preparation)	<b>Consolidated Statement of Financial Position</b>		
	At end of current full Year \$NZ'000	As shown in last Annual Report \$NZ'000	If half yearly as shown in last half yearly report \$NZ'000
<b>9 CURRENT ASSETS:</b>			
(a) Cash	3,242	2,266	
(b) Trade receivables	516	491	
(c) Investments	-	-	
(d) Inventories	1,624	746	
(e) Other assets, current	-	-	
<b>TOTAL CURRENT ASSETS</b>	<b>\$5,382</b>	<b>\$3,503</b>	
<b>9.1 NON-CURRENT ASSETS</b>			
(a) Trade receivables	-	-	
(b) Investments	-	-	
(c) Inventories	-	-	
(d) Property, plant and equipment	1,503	1,318	
(e) Goodwill	-	-	
(f) Deferred Taxation Assets	-	-	
(g) Other Intangible Assets	1,672	1,047	
(h) Other assets, non current	-	-	
<b>9.2 TOTAL NON-CURRENT ASSETS</b>	<b>\$3,175</b>	<b>\$2,365</b>	
<b>9.3 TOTAL ASSETS</b>	<b>\$8,557</b>	<b>\$5,868</b>	
<b>9.4 CURRENT LIABILITIES</b>			
(a) Trade Creditors	721	572	
(b) Income in advance, current	-	-	
(c) Secured loans	-	-	
(d) Unsecured loans	-	-	
(e) Provisions, current	59	17	
(f) Other liabilities, current	51	51	
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$831</b>	<b>\$640</b>	
<b>9.5 NON-CURRENT LIABILITIES</b>			
(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	21	71	
<b>9.6 TOTAL NON-CURRENT LIABILITIES</b>	<b>\$21</b>	<b>\$71</b>	
<b>9.7 TOTAL LIABILITIES</b>	<b>\$852</b>	<b>\$711</b>	
<b>9.8 NET ASSETS</b>	<b>\$7,705</b>	<b>\$5,157</b>	
<b>9.9 SHAREHOLDERS' EQUITY</b>			
(a) Share capital (optional)	31,115	23,677	
(b) Reserves (optional) (i) Revaluation reserve (ii) Other reserves			
(c) Retained Surplus (accumulated Deficit) (optional)	(23,410)	(18,520)	
<b>9.10 SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER</b>	<b>7,705</b>	<b>5,157</b>	
(a) Minority equity interests in subsidiaries	-	-	
<b>9.11 TOTAL SHAREHOLDERS' EQUITY</b>	<b>\$7,705</b>	<b>\$5,157</b>	
(a) Returns on Assets (%) (EBIT divided by Total Assets)	-60.0%	-52.2%	
(b) Return on Equity (%) (Net Income divided by Shareholders' Equity)	-76.0%	-81.9%	
(c) Debt to Equity Ratio (%) (Total Liabilities divided by Shareholders' Equity)	11.1%	13.8%	

		<b>Consolidated Statement of cashflows for full year</b>	
		Current full year \$NZ'000	Corresponding full year \$NZ'000
<small>(See Note (IX) attached )</small>			
<b>10</b>	<b>CASH FLOWS RELATING TO OPERATING ACTIVITIES</b>		
(a)	Receipts from customers	1,769	901
(b)	Interest received	246	121
(c)	Dividends received	-	-
(d)	Payments to suppliers and employees	(6,902)	(4,216)
(e)	Interest paid	-	-
(f)	Income taxes paid	-	-
(g)	Other cash flows relating to operating activities	-	-
	<b>NET OPERATING FLOWS</b>	<b>(\$4,887)</b>	<b>(\$3,194)</b>

<small>(See Note (IX) attached )</small>			
<b>11</b>	<b>CASH FLOWS RELATING TO INVESTING ACTIVITIES</b>		
(a)	Cash proceeds from sale of property, plant and equipment	2	-
(b)	Cash proceeds from sale of equity investments	-	-
(c)	Loans repaid by other entities	-	-
(d)	Cash paid for purchases of property, plant and equipment	(635)	(955)
(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	(942)	(855)
	<b>NET INVESTING CASH FLOWS</b>	<b>(\$1,575)</b>	<b>(\$1,810)</b>

<small>(See Note (IX) attached )</small>			
<b>12</b>	<b>CASH FLOWS RELATED TO FINANCING ACTIVITIES</b>		
(a)	Cash proceeds from issue of shares, options, etc.	7,438	6,066
(b)	Borrowings	-	-
(c)	Repayment of borrowings	-	-
(d)	Dividends paid	-	-
(e)	Other cash flows relating to operating activities	-	-
	<b>NET FINANCING CASH FLOWS</b>	<b>\$7,438</b>	<b>\$6,066</b>

<small>(See Note (IX) attached )</small>			
<b>13</b>	<b>NET INCREASE (DECREASE IN CASH HELD)</b>		
(a)	Cash at beginning of full year	2,266	1,204
(b)	Exchange rate adjustments to Item 12.3(a) above	-	-
(c)	<b>CASH AT END OF FULL YEAR</b>	<b>\$3,242</b>	<b>\$2,266</b>

**14 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:

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.....

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.....

		Current full Year NZ\$'000	Previous Corresponding full year NZ\$'000
<b>15 RECONCILIATION OF CASH</b>			
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:			
	Cash on hand and at bank	123	113
	Deposits at call	231	95
	Bank overdraft	-	-
	Other (Short Term Bank Deposits)	2,888	2,058
	<b>Total = Cash at End of Full Year (Item 13(c) above)</b>	<b>\$3,242</b>	<b>\$2,266</b>

## 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

	Equity Earnings	
	Current full year \$NZ'000	Previous corresponding full year \$NZ'000
N/A	-	-
(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 Full Year		Contribution to net *surplus (deficit) (Item 1.5)	
	Current Full Year	Previous Corresponding Full Year	Current Full Year NZ\$'000	Previous Corresponding Full Year NZ\$'000
<b>Equity Accounted Associates</b>				
N/A			<i>Equity Accounted in current year</i>	
<b>Other Material Interests</b>			<i>Not Equity Accounted in current year</i>	
N/A				

(b) Investments in Associates

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

**17 ISSUED AND QUOTED SECURITIES AT END OF CURRENT FULL YEAR**

Category of Securities	Number Issued	Number Quoted	Cents	Paid-Up Value (If not fully paid)
<b>PREFERENCE SHARES:</b>				
# (Description)	N/A	N/A	N/A	
Issued during current full year				
<b>ORDINARY SHARES:</b>				
<b>On issue at beginning of full year</b>	138,699,156	138,699,156		
Issued during current full year				
Aug-04 issue for cash	9,750,000	9,750,000	42.5	
Feb-05 issue for cash	6,000,000	6,000,000	52.5	
Apr-05 options exercised for cash	1,000,000	1,000,000	15.4	
<b>On issue at end of full year</b>	155,449,156	155,449,156		
<b>CONVERTIBLE NOTES</b>				
# (Description)	N/A	N/A	N/A	
Issued during current *half year/full year				
<b>OPTIONS:</b>				
	Issued	Quoted	Exercise Price	Expiry Date
	500,000	not quoted	46.2	13-Oct-05
	800,000	not quoted	62.85	8-Oct-06
Issued during current full year	1,650,000	not quoted	58.3	29-Dec-07
<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.

**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 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

