Media Release

30 August 2006

Wellington Drive Technologies Ltd 2006 Full Year Result

Overview

The year has seen a substantial increase in deliveries of electronic motors and associated components to European customers, and the first substantial deliveries to customers in Asia. Total operating revenues, excluding interest, at $6.88 million were more than 3 times the previous year's figure of $1.84 million. This is in large part due to the increase in sales of motors and controllers. Products supplied by Wellington are now found in a growing range of appliances, including vending equipment in Europe and Australasia, heat recovery and house central ventilation units in Europe and commercial refrigeration equipment in Europe, Turkey and Australasia.

Our business that supplies customised, "Total Integration", motor solutions for licensees has progressed well, with the development of several new projects. Revenue from Total Integration design services was $0.54 million compared with $0.21 million in 2005. The seven Total Integration development programmes we have with major appliance suppliers in a wide range of applications, including refrigeration compressors, central heating, dishwashers and ceiling fans, have progressed well, with customers reporting good levels of satisfaction.

Final assembly of all our motor types is now carried out in Asia. Transfer of motor final assembly operations was completed late in the financial year. Positive effects from the transfer are beginning to show through in our production costs, although the full benefits are yet to be realised. Quality levels are excellent. Facilities for finishing motorized fan assemblies, the format in which most of our motors are sold, are currently being commissioned in Asia.

With the supply chain stabilizing, considerable effort was devoted to increasing sales, particularly in the second half-year. Wellington's sales activity is now managed from Singapore, to increase overlap time with, and to improve the proximity to, regional sales people, major customers and their supply infrastructure. New sales appointments were made in Europe in the second half year and people to represent us have been appointed in Korea, Thailand and Norway. Coupled with our increased sales activity, requests for samples have been running at a sustained high level (almost 300 samples were delivered to 47 new companies during the year) and we anticipate that over time many of these sample deliveries will result in substantial orders. Small orders have already been received from some of these new companies.

The international focus on energy costs evident last year has intensified, helping to further raise interest levels in our products. In commercial refrigeration products, for example, the electricity savings enabled by electronic motors are believed to pay back the additional costs of the electronic motor (compared to a conventional, low efficiency, induction motor) in less than six months in major Northern Hemisphere markets. Increasingly, this fact is being recognized in the marketplace as a whole.

Commodity prices for copper reached record levels of over $US8 per kilogram during the year. The copper price has more than doubled over the past 18 months, and has more than tripled over the past three years. Copper is a major component of the cost of conventional motors and has caused further price rises for these products that Wellington's electronic motors compete with. The price rises make the economics of electronic motors, and Wellington's in particular, more attractive.

Delays are still affecting our financial results. Conversion of sample programmes to production orders is taking longer than hoped, although these delays appear to be reducing. Customer approvals for the production engineering stages of some Total Integration programmes have also occurred. These delays happen for a number of reasons. The main causes are field test programmes taking longer than expected and alterations by customers to product detailed specifications, once customer sales and marketing people begin to contribute to specifications following initial engineering analysis and test work. Consequently, our improvement in revenues, although welcome, is below the level that we had hoped to record.

Financial Review

The consolidated loss before tax and before unusual items was $4.53 million, improved from the loss of $4.89 million in the year ended 30 June 2005. Revenues from product sales at $5.89 million were substantially ahead of the previous year's figure of $1.55 million. Revenue from engineering projects of $0.54 million also increased, from $0.21 million in 2005, as more engineering team time was devoted to customer-funded activities.

We have continued to invest in product development, in-market sales and marketing, distribution, production and stock. Costs were higher than last year reflecting these actions. Overseas representation costs and commissions were up $273,000 and overseas marketing and travel costs were up by $102,000. Warranty provisions were up by $78,000 due to the higher level of product sales. Patent costs declined by $78,000 reflecting the completion of the grant process on several international patents. Salaries were slightly lower than last year at $1.85 million (2005: $1.91 million), given the emphasis during the year on the sales of products already completed. Recruitment costs also declined by $46,000, as the New Zealand team stabilized and vacant posts were filled by suitable candidates already known or approaching the company directly.

Stock on hand at year end was $2.69 million (2005: $1.62 million). Stock levels remain high at present during the relocation of some fan manufacturing activities from the United Kingdom to China. Fixed assets at $1.53 million were similar to the previous year's figure. Capitalized development costs rose to $2.06 million (2005: $1.67 million). The increases were associated mainly with starting production of motor and controller variants and the development, and completion of development, of new products.

Debtors and receivables rose to $2.34 million at 30 June 2006 (2005: $0.52 million), due to the higher volumes of products being shipped. We expect the relative levels of receivables to decline during the current financial year, particularly as improved terms of trade for AirMoVent products are negotiated.

We delivered increased numbers of products last year. During the second half year, most product final assembly was carried out in Asia. Our margins on product sales improved during the year, although we are yet to see the full effect of the Asian production transfer appear in our results. Further improvements in margin are confidently expected during the current financial year.

Operational Review

Sales and Products

Sales growth was good during the year. Enquiry levels and requests for samples ran at a high level during the second half year and are remaining at a high level currently. We are hoping to see the rate of conversion from enquiry to business accelerate, and the company's supply chain is now well prepared to deliver to a significantly increased level of orders. Given the new sales appointments made in the second half year, and our plans to make further sales and sales-related appointments over the coming months, we confidently expect sales growth to continue.

In total, Wellington delivered over 200,000 motors of all types (including AirMoVent induction motors) in the year for the first time and reliability of our products in service remains excellent.

Almost 300 samples were delivered to 47 new companies during the year, with most of these being delivered in the second half year. We expect to obtain business from many of these companies and some have already placed small orders.

During the second half year our lead customer in the clean room industry successfully completed trials of, and approved, our new motor and electronics/software system (the DF102 motor and CH350 controller combination). These products are designed for the air handling requirements in clean rooms in semiconductor manufacturing facilities, hospitals and other areas needing filtered air supplies. Power ratings are substantially larger (at 350W) than other Wellington products offered to date. We have received forecast requirements for deliveries of substantial numbers, and we expect good sales growth in the product lines during this financial year. The first production deliveries were not, however, made in June 2006 as originally hoped, due to changes in the customer's detailed requirements for initial shipments. An initial production order for 500 units was received subsequent to the financial year end.

In addition to our lead customer (who is a major supplier of clean room equipment) several other companies have these new motors and controllers under evaluation for general purpose air moving use.

The first samples of a new Wellington motor (the ECR81) for commercial refrigeration systems were delivered to customers in May. This unit has smaller size than comparable products, including other Wellington commercial refrigeration fan motors that are already part of our product range. The new motor also has externally-mounted electronic controls, which are preferred by some customers. Because of its size and mounting arrangements, it is particularly suitable for retrofit applications, where it can be used to replace low efficiency induction motors in service in refrigeration equipment and vending machines, saving electricity. It can be used to directly replace standard (low efficiency) motors without any other changes being required and is the only product known to be fully suitable for such "upfits". The first deliveries of production units were made (to Norway) in July.

All our medium-size external rotor motors, which are used mainly in heat recovery ventilation and central ventilation products in Europe, were upgraded to conform to the European RoHS (Reduction of Hazardous Substances) regulations during the year.

Full approval from Underwriters' Laboratories (USA) for our commercial refrigeration product range was obtained during the year, which is a significant milestone. The range is already CE approved for sales in Europe.

Our customers are manufacturers of commercial refrigeration equipment, and a good level of orders for the commercial refrigeration product range as a whole was received during the year, notably from Sanyo Corporation as announced in November. Many small orders have been received (for several hundred to a few thousand pieces) and we confidently expect that these small orders will lead on to larger levels of business in due course.

We have been advised by our customers that several major, international, supermarket chains have begun to specify high-efficiency motors for some of their new refrigeration equipment. All our customers are projecting significant growth of demand for high efficiency motors in this important segment. Although growth of confirmed demand has been lower up to date than all parties expected, this appears to be changing and we are well placed to satisfy new requirements.

Our AirMoVent range of conventional induction motors, sourced from Asian partners, has been selling well, particularly in Turkey where much of the commercial refrigeration equipment for Europe is now built. AirMoVent motors are offered so that customers can continue to purchase from one source as they make the transition to using our high efficiency products.

We are currently supplying most of the major Turkish commercial refrigeration manufacturers with AirMoVent motors, having received a steady flow of orders. All of our AirMoVent customers have also been evaluating Wellington high efficiency commercial refrigeration motors and several have placed orders, some for several thousand units. We anticipate further growth of sales in the Turkish market in the current financial year.

Production and Logistics

Relative stock levels remain higher than we expect to require in the medium term. We are currently holding stocks in the United Kingdom, in transit from China and as work in progress in China as we complete the transfer of our main motorized fan assembly operations from the United Kingdom to China. Transfer should be completed in September 2006. One major advantage of the Asian location for production and final assembly activities is reduced transit time to major markets (compared to New Zealand), reducing necessary stock levels and logistics costs.

We have begun to see some benefits from our relocation of operations in this respect, but the major proportion of the expected benefits is yet to appear in our results. We are also carrying significant stocks of commercial refrigeration motor components and partly finished commercial refrigeration motor assemblies to maintain capability to service the short-notice customer orders that are typical in the commercial refrigeration business.

Margins on our manufacturing business are improving. Our Asian production is performing well and, with the transfer of motor final assembly operations now complete, little engineering and production management resource is now being absorbed by these activities. Considerable attention is being devoted to product cost reduction, now that a good period of stable production is behind us. A review of all components, processes and suppliers began late in the year and has already begun to yield significant results. We anticipate achieving good improvements in manufacturing margins over the coming months.

Licensing Programmes

The second major 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).

All 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.

Several new projects began during the year. All of these are in high volume areas of the appliance industry, although for reasons of commercial confidentiality details of the product areas and customers cannot be disclosed.

We currently have five programmes in progress and at various stages of completion for European customers and two in progress in the United States. Several additional projects are in negotiation. In general, a large volume of Total Integration work is available to the company and our current workload is principally limited by the capacity of our engineering team. Workloads on these projects tend to be irregular, however, particularly when the project direction begins to tighten towards production and major decisions from the customer are needed.

The development of a very low cost electronic controller for use with our motors proceeded according to plan during the year. This controller, which we term "Monsoon", does not offer the range of features that are provided by our full-feature "Storm" controller platform and is not suitable for all applications. For example, Monsoon offers fixed speeds only. However, its performance is suitable for simple products that demand a high efficiency replacement for an old-style AC induction motor at the best possible price. The Monsoon system has now reached prototype level in a new appliance product being developed with Arçelik A.Ş.(Turkey) and has performed to expectations. Terms for the full commercialization of this product are currently being discussed with Arçelik's management and it is hoped an agreement will soon be reached.

A new patent covering the technology for the Monsoon system is being sought and we expect that Monsoon control will be offered as an option for many Wellington products in the future. New patents are also being sought for two new motor construction techniques that further reduce manufacturing costs.

The variable capacity refrigeration compressor developed with Arçelik did not enter full production during the year, although the last details necessary are believed to have been resolved. Some difficulties were encountered late in the year with the final regulatory approvals of the production units, which delayed the start of a field trial programme using production-representative systems. Successful completion of the field trial programme is necessary before the unit enters production. Wellington and Arçelik are discussing ways of accelerating the final details of this project, as a notable level of enquiry for the unit (which Wellington has rights to sell) has been received.

A European licensee completed its pre-production run of a confidential new product shortly after the financial year end. Wellington currently supplies electronic controllers and software for this product, and receives royalty payments for each unit sold. Although the introduction of the product has taken longer than planned, a good level of orders is expected during the current year.

Seeley International Pty. Ltd (Australia) has been selling increased numbers of an evaporative cooling air conditioner (the "Breezeair Icon Series, 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.

Outlook

Good growth in sales was achieved during the year. The infrastructure to support continued growth is largely in place. Recent additions to the company's own sales team, and to its representative network, have been made. Sales growth is expected to continue.

Manufacturing costs are continuing to reduce, albeit they are not yet at satisfactory levels. Increased efforts are being devoted to this aspect of the business as the supply chain is stabilizing. Overheads are likely to rise modestly, largely a result of lower capitalisation and higher amortisation of capitalised development costs (as the product range matures) and the full year impact of the additional in-market sales and support staff added during the past financial year, with some modest additions to this area.

There is no sign that the international focus on energy costs, which has been helping to cause an increased level of enquiries and requests for quotations, will change in the medium term. The energy saving benefits of Wellington motors are a major factor in all of our present and prospective business. The high and rising prices for oil are continuing to focus authorities and consumers on energy efficiency. Market demand for electric motors with good energy efficiency performance, like Wellington's, is continuing to grow.

Delays continue to affect our results, although the Company's performance is improving and its 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.

Our internal medium term financial plan anticipates that strong revenue growth will continue over the current financial year and beyond. Combined with an outlook for continuing reductions in production and logistics costs, this revenue growth is expected to produce an improving earnings profile in both the short and medium term.

Primarily in order to greatly accelerate Wellington's sales growth and production and logistics cost reduction, Directors have reached agreement in principle for a significant investment in new equity in Wellington from a US based investment group who, if the transaction is successfully completed, will become actively involved in Wellington's development. This is the subject of a separate announcement released today.

Directors

Nominations for directors are invited in accordance with Listing Rule 3.3.2. Nominations should be sent to the Secretary, Wellington Drive Technologies Ltd, PO Box 302 533 North Harbour, no later than 27 October 2006.

For further information visit www.wdtl.com.

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PRELIMINARY FULL YEAR REPORT ANNOUNCEMENT

Wellington Drive Technologies Limited

(Name of Listed Issuer)

For Full Year Ended **Friday, June 30, 2006**

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

Preliminary **full year** report on consolidated results (including the results for the previous corresponding full year) in accordance with NZAX Listing Rule B1.4.2.

This report has been prepared in a manner which complies with generally accepted accounting practice and gives a 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 full Year $NZ'000	Up %	Previous corresponding full year $NZ'000
1.1 OPERATING REVENUE			
(a) Trading Revenue	6,498	255%	1,831
(b) Other Revenue	564		254
(c) Total Operating Revenue	$7,062	239%	$2,085
1.2 OPERATING (DEFICIT) BEFORE TAXATION	(4,527)	7%	(4,890)
(a) Less taxation on operating result	-		-
1.3 OPERATING (DEFICIT) AFTER TAX	(4,527)		(4,890)
(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	(4,527)		(4,890)
(a) Net (Deficit) attributable to minority interests	-		-
1.5 NET (DEFICIT) ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER	($4,527)	7%	($4,890)

	Consolidated Statement of Financial Performance	
2 DETAILS OF SPECIFIC RECEIPTS/OUTLAYS, REVENUES/ EXPENSES FOR FULL YEAR	Current full year $NZ'000	Previous corresponding full year $NZ'000
2.1 INCLUDED IN CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE		
(a) Interest revenue included in Item 1.1(b)	184	246
(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	265	197
(f) Depreciation	479	440
(g) Diminuton in the value of assets (other than depreciation)	1	22
(h) Amortisation of goodwill	-	-
(i) Amortisation of other intangible assets (development costs)	334	316
(j) Impairment of goodwill	-	-
(k) Impairment of other intangible assets	-	-

		Consolidated Statement of Financial Performance	
		Current full Year $NZ'000	Previous corresponding full 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	37	-
	(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 (deficit)

		Group - Current Full 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 full year $NZ'000	Previous corresponding full year $NZ'000
4.1	**NET (DEFICIT) ATTRIBUTABLE TO MEMBERS OF LISTED ISSUER**	(4,527)	(4,890)
	(a) Net (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**	(4,527)	(4,890)
4.4	**OTHER MOVEMENTS**		
	(a) Contributions by Owners	5,319	7,438
	(b) Distributions to Owners	-	-
	(c) Other	-	-
4.5	**EQUITY AT BEGINNING OF FULL YEAR**	7,705	5,157
4.6	**EQUITY AT END OF FULL YEAR**	$8,497	$7,705

		Earnings Per Security	
5	**EARNINGS PER SECURITY** Calculation of basic and fully diluted, EPS in accordance with IAS33: Earnings Per Share	Current full year $NZ'000	Previous corresponding full year $NZ'000
	(a) Basic EPS	(2.53)	(3.27)
	(b) Diluted EPS (if materially different from (a))		

6	**ACQUISITIONS OF SUBSIDIARIES** (See Note (VII) attached):	
	(a) Name of subsidiary or group of subsidiaries	Wellington Motor Teknolojileri San Tic Ltd Sti (Turkey)
	(b) Percentage of ownership acquired	99.38%
	(c) Contribution to consolidated net (Deficit) (Item 1.4)	($6,000)
	(d) Date from which such contribution has been calculated	Mid June 2006

7	**MATERIAL DISPOSALS OF SUBSIDIARIES** (See Note (VII) attached)	
	(a) Name of subsidiary or group of subsidiaries	N/A
	(b) Contribution to consolidated net (Deficit) (Item 1.4)	$
	(c) Date from which such contribution has been calculated	
	(d) Contribution to consolidated net (Deficit) (Item 1.4) for the previous corresponding full year	
	(e) Contribution to consolidated net (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 segm information should be completed separately and attached to this report. However, the following shows a suitab 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, and marketing its brushless electric motors for worldwide use. It is New Zealand based and from June 2006 has a subsidiary operating in Turkey.

Geographical

		Revenue	Result	Assets
New Zealand	Current full year $NZ'000	7,203	(4,521)	10,022
Turkey		156	(6)	337
Eliminations		(297)	-	(1)
Total		$7,062	($4,527)	$10,358
New Zealand	Previous corresponding full year $NZ'000	2,085	(4,890)	8,557
Turkey		-	-	-
Eliminations		-	-	-
Total		$2,085	($4,890)	$8,557

(Note (VIII) attached has particular relevance for the preparation 9 CURRENT ASSETS:	Consolidated Statement of Financial Position 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
(a) Cash	1,694	3,242	
(b) Trade receivables	2,344	516	
(c) Investments	-	-	
(d) Inventories	2,693	1,624	
(e) Other assets, current	1	-	
TOTAL CURRENT ASSETS	$6,732	$5,382	
9.1 NON-CURRENT ASSETS			
(a) Trade receivables	-	-	
(b) Investments	-	-	
(c) Inventories	-	-	
(d) Property, plant and equipment	1,530	1,503	
(e) Goodwill	-	-	
(f) Deferred Taxation Assets	-	-	
(g) Other Intangible Assets	2,096	1,672	
(h) Other assets, non current	-	-	
9.2 TOTAL NON-CURRENT ASSETS	$3,626	$3,175	
9.3 TOTAL ASSETS	$10,358	$8,557	
9.4 CURRENT LIABILITIES			
(a) Trade Creditors	1,702	721	
(b) Income in advance, current	-	-	
(c) Secured loans	-	-	
(d) Unsecured loans	-	-	
(e) Provisions, current	138	59	
(f) Other liabilities, current	21	51	
TOTAL CURRENT LIABILITIES	$1,861	$831	
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	-	21	
9.6 TOTAL NON-CURRENT LIABILITIES	$ -	$21	
9.7 TOTAL LIABILITIES	$1,861	$852	
9.8 NET ASSETS	$8,497	$7,705	
9.9 SHAREHOLDERS' EQUITY			
(a) Share capital (optional)	36,434	31,115	
(b) Reserves (optional) (i) Revaluation reserve	-	-	
(ii) Other reserves	-	-	
(c) Retained Surplus (accumulated Deficit) (optional)	(27,937)	(23,410)	
9.1O SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER	8,497	7,705	
(a) Minority equity interests in subsidiaries	-	-	
9.11 TOTAL SHAREHOLDERS' EQUITY	$8,497	$7,705	
(a) Returns on Assets (%) (EBIT divided by Total Assets)	-49.8%	-71.2%	
(b) Return on Equity (%) (Net Income divided by Shareholders' Equity)	-55.9%	-76.0%	
(c) Debt to Equity Ratio (%) (Total Liabilities divided by Shareholders' Equity)	21.9%	11.1%	
(d) Net tangible assets (cents). (Net assets less intangibles divided by number of shares on issue)	3.21	3.88	

		Consolidated Statement of cashflows for full year	
(See Note (IX) attached) **10**	**CASH FLOWS RELATING TO OPERATING ACTIVITIES**	Current full year $NZ'000	Corresponding full year $NZ'000
(a)	Receipts from customers	5,376	1,769
(b)	Interest received	184	246
(c)	Dividends received	-	-
(d)	Payments to suppliers and employees	(11,155)	(6,902)
(e)	Interest paid	-	-
(f)	Income taxes paid	(1)	-
(g)	Other cash flows relating to operating activities	-	-
	NET OPERATING FLOWS	($5,596)	($4,887)
(See Note (IX) attached) **11**	**CASH FLOWS RELATING TO INVESTING ACTIVITIES**		
(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	(513)	(636)
(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	(758)	(941)
	NET INVESTING CASH FLOWS	($1,271)	($1,575)
(See Note (IX) attached) **12**	**CASH FLOWS RELATED TO FINANCING ACTIVITIES**		
(a)	Cash proceeds from issue of shares, options, etc.	5,319	7,438
(b)	Borrowings	-	-
(c)	Repayment of borrowings	-	-
(d)	Dividends paid	-	-
(e)	Other cash flows relating to financing activities	-	-
	NET FINANCING CASH FLOWS	$5,319	$7,438
(See Note (IX) attached) **13**	**NET INCREASE (DECREASE) IN CASH HELD**	($1,548)	$976
(a)	Cash at beginning of full year	3,242	2,266
(b)	Exchange rate adjustments to Item 12.3(a) above	-	-
(c)	**CASH AT END OF FULL YEAR**	$1,694	$3,242

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:

N/A

15 RECONCILIATION OF CASH

For the purposes of the above Statement of cash flows, cash includes: cash on hand, current accounts in banks net of bank overdrafts, and call and short term bank deposits.

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 full Year NZ$'000	Previous Corresponding full year NZ$'000
Cash on hand and at bank	444	123
Deposits at call	1,161	231
Bank overdraft	-	-
Other (i.e. Bank Short Term Deposits)	89	2,888
Total = Cash at End of Full Year (Item 13(c) above)	$1,694	$3,242

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

(b) Investments in Associates

N/A

	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	-	-
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)
PREFERENCE SHARES:				
# (Description)				
N/A				
Issued during current full year				
ORDINARY SHARES:				
On issue at beginning of full year	155,449,156	155,449,156		
Issued during current full year				
November 2005 issue for cash	4,200,000	4,200,000	33.00	
December 2005 rights issue for cash	39,911,539	39,911,539	10.00	
On issue at end of current full year	199,560,695	199,560,695		
CONVERTIBLE NOTES				
# (Description)				
N/A				
Issued during current full year				

OPTIONS:	Issued	Quoted	Exercise Price	Expiry Date
	700,000	Not quoted	57.35	30-Oct-06
	1,600,000	Not quoted	52.83	21-Jan-08
Issued during current full year	500,000	Not quoted	40.50	9-Dec-08
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 sh

N/A

20 ANNUAL MEETING (if full year report)

(a) To be held at

To Be Advised

(b) Date 200 Time

(c) Approximate date of availability of Annual Report Friday, September 15, 2006

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

(signed by) Authorised Officer of Listed Issuer (date)

*Delete as required