



9 January 2009

Media Release

For Immediate Release

Trading Update and rights issue

Wellington projects 150% revenue growth to NZ\$40m for 2009

Although the recent turmoil in financial markets places additional uncertainties on the near and medium-term performance of the global economy, this is an exciting time for Wellington and particularly for those shareholders, employees and directors that have supported the Company over the last 10 years. The Company's ongoing efforts to commercialise its technology appear to have reached a tipping point. For the 2009 year, Wellington is budgeting for revenue to grow by more than 150% to NZ\$40m and for motor sales of more than 1million units.

The largest contributor to this rapid revenue growth will come from Wellington's ECR range of motors, which are sold into the commercial refrigeration market. The energy savings that result from using EC (Electronically Commutated) motors are causing the market to switch from older 'induction motors' to EC motors, including Wellington's products. Vendo de Mexico, which is expected to be Wellington's largest ECR customer during 2009, has recently reconfirmed its intention to purchase 400,000 motors this year, in line with the original agreement and despite the impact of the economic slowdown. Hill Phoenix, Wellington's largest customer for ECR motors during 2008, has recently issued substantially increased order levels for 2009, once again despite the economic slowdown. Interest in ECR motors from other potential customers has continued to strengthen following the launch of the ECR82/92 series in late 2007.

Wellington's DD motor series, sold into central air-conditioning and ventilation markets, is also forecast to deliver sales growth in 2009 as a result of higher sales to J. E. Stork Air of The Netherlands and also as a result of expanded sales of motors that Wellington supplies under the design and manufacturing agreement announced in January 2008. Wellington's OEM customer for those motors has also recently signed an agreement for Wellington to produce a range of commercial refrigeration motors based on our ECR products, labelled with the customer's brand.

For the important commercial refrigeration business, Wellington's focus over the last 18 months has been on launching its ECR82/92 motor and expanding the manufacturing and delivery capability for



its ECR product lines to meet current and anticipated demand. The ECR82/92 motor is the result of more than seven years of development effort on ECR and other motors. Having achieved this, engineering resource is now being more intensively focussed on reducing the manufactured cost of the whole ECR range. Detailed plans are being worked through with the results of these expected to progressively enter production over the course of 2009.

In addition to product design changes to reduce direct costs, the higher volumes that Wellington is targeting in 2009 are expected to result in lower costs per unit from Wellington's manufacturing suppliers. In aggregate these cost reduction activities are substantial and are expected to result in improved gross margins for ECR motors and for Wellington's overall business, from the second half of 2009.

For the year to 31 December 2008 Wellington is projecting a net loss of NZ\$-11.0m. For the six months to 30 June 2009 Wellington is projecting a net loss of NZ\$-6.8m. Wellington's projection for the second half of 2009 is for a much reduced net loss of NZ\$-2.9m and the Company retains its target of achieving the breakeven point during that period.

As has been described in earlier reports, 'Total Integration' is Wellington's branding for its service offering for the design and development of motors that are to be integral parts of the appliances they drive. Wellington's four appliance industry 'Total Integration' projects are demonstrating different levels of commercial promise. Two projects are progressing close to expectations and current project tracks would result in volume production of one of these in the last quarter of 2009. With respect to the other two projects, progress has stalled and it is possible that neither will proceed to the next stage of the commercialisation process, although at this point, neither has been finally terminated.

Rights Issue

Wellington has today registered a Prospectus for a 1:3 rights issue at 10c per share, to raise NZ\$11.4m. The Prospectus contains financial projections for the year ended 31 December 2008 and the year ended 31 December 2009, including disclosure of the assumptions and risks on which they are based. A copy of the combined Investment Statement and the Prospectus relating to the new shares can be viewed later today on Wellington's website www.wdtl.com.

Proceeds from the issue will be used to invest in the working capital that will be needed as sales expand, to fund the operating losses that are expected between now and the Company achieving profitability, and to fund the Company's capital expenditure requirements.

Under the terms of the Offer, shareholders on the register as at 5pm on 23 January 2009 will have the right to acquire one new share for every three shares they hold, at an issue price of \$0.10 per share. The offer document will be posted to shareholders on or before 30 January 2009 and the offer will close at 5.00 pm on 27 February 2009. Entitlements not taken up or renounced by that time will lapse. Application will be made to the NZX to list the rights and the new shares. If listing is granted shareholders who do not wish to take up their entitlements will be able to trade their rights on the



NZSX from 26 January 2009 until the close of trading on 25 February 2009. It is anticipated that the new shares will begin trading on the NZSX on 6 March 2009.

The Offer will not be underwritten but will have an “over allotment” facility. Directors have chosen not to seek underwriting in order to save avoidable costs. An over allotment facility allows for shareholders to apply for extra rights over and above their entitlement. Any initial shortfall in the issue will be divided up between those who apply for additional shares in direct proportion to the number of shares held as at the record date for entitlements.

For further information visit www.wdtl.com or contact:

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About Wellington Drive Technologies Limited:

Wellington Drive Technologies is one of the world’s leading suppliers of energy saving, electronically commutated motors and fans for the refrigeration, ventilation and appliance industries. As an international supplier of energy saving solutions, Wellington has offices in the United States, Europe, Singapore, Asia and Central America, with the Engineering Centre and Head Office based in Auckland, New Zealand. Wellington’s advanced technology provides standard and custom solutions that lower energy consumption through design innovation and lower costs through reduced materials usage and electronics design. Wellington Drive Technologies Limited is listed on the New Zealand Stock Exchange (WDT:NZX). For further information visit www.wdtl.com

WELLINGTON DRIVE TECHNOLOGIES LTD

Ron Jackson
COMPANY SECRETARY