

Investor Presentation

Wellington[®]

On Track

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Strategy

- AC motor unchanged for 100 years
- EC more efficient, but requires electronics and software skills that traditional motor companies don't have...
- Transition to EC motors is accelerating
- Regulatory endorsement
- Wellington focus on Commercial Refrigeration and Ventilation segments within broader 'fractional horsepower' motor industry



Our near term focus is on Commercial Refrigeration and Ventilation, but many industry segments are accessible to us

Leader in Commercial Refrigeration



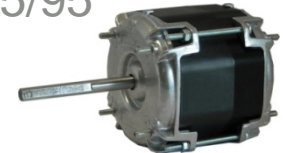
Supermarket cabinets:
ECR80/90,
ECR82/92,
ECR01



Bottle coolers:
ECR80/90,
ECR82/92,
ECR01



Walk-in coolers:
ECR85/95



Three new ECR motors

Positive customer response to our three new ECR motors

- Plastic case ECR82/92 – Tolerates harsh conditions better
- ECROne – Provides easiest path for refrigeration customers to adopt EC
- ECR85/95 – Reaches new (partially regulated) market segment
- ECROne and ECR85/95 bridge the gap to the lower end of Wellington's Ventilation products – opening new markets outside refrigeration
- Improved margin on all products

Component shortages have constrained sales of new motors in H1

- These new motors are expected to be an increasingly important driver in H2 and also into 2011

Ultimately, these new motors will replace existing ECR lines

New ECR motors will be a big influence in 2011

Refrigeration demand strong

Wellington's largest market is currently Mexico/Latin America

- Imbera a leading adopter of high-efficiency technologies
- Coca-Cola move to mandate high-efficiency coolers in Mexican market
- Flow-on demand spreading throughout South and Central America
- USA new-build demand still tentative, retrofit stronger

But also significant new sales in Europe

- Several new customers/projects starting at end of 2010
- EC is becoming a standard choice
- Coca-Cola a major influence on European demand
- Wellington is seeing good results from long-term sales efforts and maturing relationships

Sales currently limited by component supply

Expanded Distribution

Distribution is expanding in USA

- AO Smith deal reflects growing mainstream switch to EC Commercial Refrigeration motors...
 - And is an important endorsement of Wellington's products and our market traction
- Change in focus to use distributors to access growing US retrofit market
- Significant interest from distributors in handling our new products – particularly ECROne and ECR 85/95
 - Several specialist distributors appointed in addition to AO Smith.

Distributors being appointed in Europe

- Wellington has seen strong interest from companies wanting to distribute its ECR products in Europe
 - Reflecting EC motors entering the mainstream
 - More distributor appointments expected over next six months

Expanded distribution a further growth and margin driver, retrofit sales less price sensitive than OEM business that has been targeted so far

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Ventilation business relaunched

Partnership with Ziehl-Abegg will put Wellington's ventilation motor business back on a growth path

- A new business model: lower gross margin, but no requirement for sales/distribution infrastructure

First motors in volume production in '09, remainder introduced in 2010

- Positive market reception
- Component availability limiting sales
- Significant order backlog going into H2 2010

Euro/US\$ move putting pressure on Ventilation margins

- Discussions underway to move to US\$ pricing



Ventilation is Wellington's 'second' focus segment

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Component shortage

- Our motor controllers use standard transistors, capacitors and other components that are also widely used in power supplies for portable electronic devices such as laptop computers etc...
- Global recession meant supply for many components was cut back
- With industrial recovery, delivery times have been pushed out
- This has been a key limiter to Wellington's sales in the first half of 2010
- And component shortage also means some other increased costs
 - Component costs along with other costs such as air freighting to keep customers supplied
- H2 will depend on final demand levels, but Wellington has now secured supply to be able to meet projected lift in customer demand

Financials

Revenue

- Growth H1 over pcp, particularly in US\$, then acceleration in H2
- Currency comparison will dampen NZ\$ revenue growth in first half
- Orders well above sales for the first time
 - Production constrained by component shortages

Gross margin

- Key measure is gross margin prior to engineering revenue
- Wellington is expecting minimal engineering revenue in 2010
- Marked improvement over last year's low levels

Opex

- Significantly below FY09 (pre-depreciation and amortisation)

Cash

Wellington consumes cash in three ways:

- Net operating loss
- Capital expenditure
- Working capital investment

Trends

- Declining operating loss will reduce cash consumption from this source
- Capex remains constant but low – circa NZ\$1m pa
- Requirement for working capital increases with revenue growth

“The Directors will continue to seek to take Wellington to profitability without further equity capital raising. The Company is currently forecasting that this will be achieved but there is a low level of buffer for unexpected events.”

AGM Commentary

Wellington on track

Well positioned for the switch to electronic motors (EC)

- Leader in commercial refrigeration
- Substantial opportunity in ventilation with Ziehl-Abegg
- Initiatives underway to improve margins
- Other substantial market segments to be addressed in medium term
- Initiatives under way for ongoing margin improvement

Established as a high-volume high-technology manufacturer...

- 'Clean tech' – demand driven by economic and regulatory imperative for energy efficiency
- A global start-up
- World-leading customers and partners : Coca-Cola, Ziehl-Abegg

With a strong global business model

- NZ -derived intellectual property embodied in high technology electronic products
- Manufactured via a low-cost Asian supply chain
- For delivery to rapidly expanding markets in both developed and emerging countries

Wellington on track to deliver commercial success and shareholder rewards

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