



10th May 2016

For Immediate Release

Wellington Drive announces 40% increase in 1st quarter revenue and an EBITDA profit

First Quarter 2016 Highlights:

- Strong revenue growth with revenue increasing by 40% to NZD\$9.2m (or in US Dollar terms 26% to USD\$6.2m)
- Continued growth in our EC motor business with volumes increasing 24% year over year
- Several thousand SCS Connect controller units shipped to a global beverage customer under the multi-year agreement that was noted in the Company's annual report
- New ECR2 motor continues to win new customers
- Continued supply chain cost reduction improving gross margin to 22.8%
- EBIT¹ loss for Q1 of \$381k impacted by non-cash amortisation charges and foreign currency revaluations of the Mandatory Convertible Preference Shares (MCPS)
- An adjusted EBITDA³ profit of \$92k. This unaudited result for Q1 2016 was an improvement on the \$231k loss on this basis for the same period last year

First Quarter 2016 Financial Summary:

Trading result:

NZD 000's

	Q1 2016	Q1 2015	% Change
Revenue	9,205	6,555	+40%
Gross Profit	2,096	1,467	+43%
Gross Margin%	22.8%	22.4%	
EBIT ¹	(381)	(165)	
Depreciation, amortisation and impairment ²	401	119	
EBITDA ³	20	(46)	
Currency revaluation of MCPS ³	72	(185)	
Adjusted EBITDA ³	\$92	(\$231)	

Regional Revenue Growth:

Revenue USD 000's

	Q1 2016	Q1 2015	% Change
Latin America	3,732	3,309	+13%
USA & Canada	424	211	+101%
EMEA	1,405	916	+53%
APAC	602	470	+28%
Total	\$6,163	\$4,906	+26%

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Note 1 - EBIT is Earnings before Interest and Taxation

Note 2 - Depreciation and amortisation charges increased this year as the Company commenced amortising capitalised development costs for the new ECR2 motor and the SCS Connect controller from 1 January 2016, that being the date development of the products was completed and the products became available for sale.

Note 3 - EBITDA is Earnings before Interest, Taxation, Depreciation, Amortisation and Impairment. Wellington has always reported the EBITDA result because this is the profit performance measure that avoids the distortions caused by differences in amortisation and impairment policies. In the 2016 year we have isolated the effects on EBITDA of the revaluation of MCPS for NZD/USD exchange rate movements which is “non cash” and does not arise from the company’s business activities.

The business is gaining clear momentum, especially with SCS adoption. Further details and a first half and full year outlook will be provided at Wellington’s Annual Shareholders Meeting on 31st May 2016.

About Wellington Drive Technologies

Wellington Drive Technologies is a leading global provider of energy efficient electronic motors, airflows solutions and ‘Cloud Connected’ refrigeration control solutions for the commercial refrigeration markets. It serves some of the world’s leading food and beverage brands and refrigerator manufacturers with advanced products and solutions that reduce their costs improve product sales and reduce energy consumption. Wellington is headquartered in Auckland, New Zealand, and is listed on the New Zealand stock exchange under the ticker symbol NZ:WDT

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