



20th April 2015

For Immediate Release

Wellington Drive announces significant improvement in Q1 2015 profit performance.

Wellington's unaudited result for the 1st quarter ended 31 March 2015 has been finalised and is a significant improvement compared with the same period last year. The result is consistent with the outlook commentary detailed in the Company's 2014 Annual Report and in the Offer Document released on 14 April.

Unaudited Result:

	Q1 2015	Q1 2014
	\$'000	\$'000
Revenue	6,555	6,193
Gross Profit	1,467	1,012
%	22.4%	16.3%
Operating expenses	(1,873)	(2,181)
Foreign exchange gains / (losses)	241	(23)
Earnings before interest and tax (EBIT)	(165)	(1,192)
Finance costs	(226)	-
Net result before tax	(391)	(1,192)
EBIT above	(165)	(1,192)
Depreciation and amortisation	119	106
Earnings before interest, tax, depreciation and amortisation (EBITDA)	(46)	(1,086)

The number of motors supplied and the US Dollar revenue is consistent with the same period last year. Gross margin % has improved significantly reflecting supplier price reductions negotiated over the last two years, outsource design fees related to a joint development initiative with East West, and ongoing contribution from pump controller licencing fees.

Operating expenses are lower by \$200k reflecting staffing reductions, process improvements and the increased effort on new product development activities that resulted in an increase in capitalised development.

Q2 demand is currently tracking consistently with our outlook. We are seeing a degree of recovery from some countries in Latin America in Q2, the notable exception being Brazil. We are seeing indications of demand decreases and extended sales cycles in Europe, a reflection we think of the



ongoing economic challenges still being faced by customers in that region. Our new ECR2 motor and SCSCConnect product are expected to be launched in second half as planned and we are very pleased to announce we have received our first order for the SCSCConnect product. The order, while small at fewer than 500 units reflects the growing momentum in adoption of our controller product by major refrigeration manufacturers.

We are encouraged by the close to breakeven result in Q1, and remain focused on ensuring we continue to improve financial performance.

About Wellington Drive Technologies

Wellington Drive Technologies is a leading global provider of energy efficient electronic motors, airflows solutions and 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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