

OPERATIONS REVIEW - QUARTER ENDED 31 DECEMBER 2006

ANNOUNCEMENT

31 JANUARY 2006

VMOTO

Another solid quarter of sales have been posted by Vmoto despite the office closed for the second half of December due to the Christmas break. A total of 834 units of scooters were sold into the Australian Market during the quarter, up from 745 units in the previous quarter, bring the turnover for the half year in Australia to approximately \$2.68m.

Sales of the new models, the 50cc Matrix and 125cc Montego, have continued to track strongly following on from their release in the previous quarter. Matrix sales year to date have been double the budgeted figure, whilst Montego sales remain strong and in line with budget.

Vmoto's original models continue to sell well with sales of the Monaco 8.5% above budget. The iconic Milan remains Vmoto's top selling model accounting for 29% of Vmoto's total unit sales closely followed by the Monza that made up 28% of the unit sales.



www.vmoto.com.au

Expansion of Vmoto's dealer base has continued with new specialist scooter dealerships appointed in both Western Australia and Victoria. A push to increase Vmoto's dealership base remains a focus with tangible results expected in the second half of the financial year. This is to be driven by the newly appointed Business Development and Marketing Representative who has significant experience within the automotive industry at a senior level.



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Innovative promotional and marketing activity has taken place during the quarter with press and radio campaigns undertaken in the two major markets, QLD and WA, together with numerous promotions undertaken in the other states aimed at building the brand. Use of non traditional media and promotional strategies continue to be used successfully by Vmoto including Sky writing at major sporting and entertainment events. A successful trial of a dedicated "promotional team" has been undertaken and is to be rolled out nationally.

New Models

Vmoto currently has 4 new models under going Australian compliance, with two of those models expected to be released during the quarter ended June 2006 and the remaining 2 models expected for release in late 2007.

Vmoto International

Vmoto signed a major strategic agreement with the Sharaf Group ("Sharaf") based in Dubai, United Arab Emirates, whereby Sharaf were appointed as the exclusive Vmoto distributor in the UAE. Further, Vmoto granted Sharaf an option to further distribution rights to 13 territories throughout the Middle East.

Following on from the signing of the distribution agreement, Sharaf placed the first Vmoto order totaling approximately A\$146,000. The priority consignment was delivered in December and comprises the first offering of product into the UAE, to be sold through an exclusive Vmoto concept retail outlet, located in the prestigious Times Square Mall (Dubai), to be opening soon.

Vmoto's recently appointed New Zealand distributor continues to develop the market through innovative promotion and superior customer service. New Zealand has taken delivery of another shipment of scooters in December, totaling approximately A\$67,000.00. The existing dealer base has reported strong sales and the appointed national retail network in New Zealand doubled during the quarter.

High level discussions are currently being held with potential distributors in key international markets. Further announcements will be forthcoming as and when significant developments occur.

West

As announced, the Board conducted a strategic review of West Suring USA based in California has been completed. Given the acquisition of Vmoto and the more recent acquisition of Freedomotor Company Limited ("FMC"), it was unanimously agreed by the Board that Optima's shareholders would be best served if management focused its attention of the international growth of Vmoto and the immediate opportunities presented by FMC.

To this end, the Board is pleased to advise that it is close to finalising the disposal of its subsidiary, West Surfing Products (USA), and will advise the market as soon as terms and conditions have been settled and an agreement executed, which is expected within 30 days.

Creatures

Following on from the exit of the West business, a strategic review will be conducted on the viability of maintaining the Creatures of Leisure USA operations. Further developments in this area will be announced as and when material decisions have been made.

CORPORATE ACTIVITY*Freedomotor Company Limited*

The quarter was highlighted by the announcement of the intended acquisition of Freedomotor Company Limited ("FMC"), an international distributor of Chinese made scooters and ATV's with a representative office based in Shanghai, China

FMC, as one of the largest independent international distributors of Chinese made scooters, is a well respected business and a significant asset within the Optima portfolio. FMC is expected to contribute approximately A\$50m in revenue for the year ended 30 June 2008, generating NPAT in the vicinity of A\$3-3.5m.

This acquisition became effective on 1 January 2007.

Authorised by:



Blair Sergeant

Managing Director

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

OPTIMA CORPORATION LIMITED

ABN

36 098 455 460

Quarter ended ("current quarter")

31 December 2006

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	2,108	3,520
1.2 Payments for		
(a) staff costs	(260)	(567)
(b) advertising and marketing	(65)	(167)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital (including inventories)	(2149)	(3557)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	9	13
1.5 Interest and other costs of finance paid	(34)	(85)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net operating cash flows	(391)	(843)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	(391)	(843)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (net cash acquired on acquisition of subsidiary)	-	-
Net investing cash flows	-	-
1.14 Total operating and investing cash flows	(391)	(843)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc. ¹	-	1799
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	125
1.18 Repayment of borrowings	(150)	(450)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	(112)	(119)
Net financing cash flows	(262)	1,355
Net increase (decrease) in cash held	(653)	512
1.21 Cash at beginning of quarter/year to date	356	(809)
1.22 Exchange rate adjustments to item 1.21	(1)	(1)
1.23 Cash at end of quarter	(298)	(298)

¹ On 11th September 2006, the Company raised \$1,798,850 by the issue of 23,984,667 shares at 7.5 cents each.

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	38
	Aggregate amount of payments to the parties included in item 1.20	112
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Executive Directors' remuneration	38
Non-Executive Directors' remuneration	-
Balance of payment to director related entity Maiden Capital. Commission at 6% of raising of \$1,798,850 placed on 11th September 2006. Mr Trevor Beazley a director of Maiden Capital is also a non executive director of Optima Corporation Ltd.	112
	150

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	200	200
3.2	Credit standby arrangements*	2,400	1,513

*The consolidated entity has access to debtors financing facilities. The total gross limit of these facilities is approximately \$800,000. This facility is drawn down in accordance with the level of qualifying trade receivables. The amount used under the facility was approximately \$28,644 at 31December 2006.

In addition to these facilities, the consolidated entity has access to an overdraft facility and trade loan facility totaling \$1,600,000. \$1,484,000 of amount of these facilities was drawn down at 31December 2006.

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	623	1,262
4.2 Deposits at call	-	-
4.3 Bank overdraft	(921)	(906)
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	(298)	356

Acquisitions and disposals of business entities

	Acquisitions (Items 1.13 and 2.1)	Disposals (Item 1.10(a))
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

(Managing Director)

Date: **31 December 2006**

Print name: **Blair Sergeant**

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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