

OPERATIONS REVIEW – QUARTER ENDED 31 MARCH 2007

ANNOUNCEMENT

18 APRIL 2007

HIGHLIGHTS

- Record quarterly turnover achieved of \$11.2 million
- Acquisition of Freedomoter Company Limited completed
- Capital raising of \$3 million through Euroz Securities Limited completed

CONSOLIDATED PERFORMANCE

Optima Corporation Limited (“OPC”) enjoyed a record quarter, posting consolidated revenue of \$11.2 million, representing the best ever quarter recorded by the Company by some 500% and tripling the half yearly result, reiterating the significance of the recent acquisitions of Vmoto and Freedomoter Company Limited.

Total scooter units sold during the quarter amounted to approximately 2,700 and total ATV units of 2,340 were sold throughout Australia, Europe, New Zealand and the U.A.E.

Both revenue and profit were ahead of forecasts and the outlook remains extremely positive for the rest of the financial year, representing an endorsement of the recent re-focus of the Company to scooter and ATV sales and distribution.

Creatures

The Company is hopeful that Creatures will be disposed in the near term and in any event, operations ceased by no later than 30 June 2007, allowing the Company to focus on the global scooter and ATV distribution businesses.

CORPORATE ACTIVITY

Freedomoter Company Limited

This acquisition became effective on 1 January 2007, following the first cash payment of US\$1 million in early January, followed by the second cash payment of US\$1.5 million, made in early April.



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Capital Raisings


In order to make the above mentioned payments, the Company completed the following:

1. Convertible Note issue of \$1.1 million as announced on 9 January 2007;
2. Completion of a placement to raise \$3 million to certain sophisticated and institutional investors, including the Wyllie Group. Euroz Securities Limited acted as lead manager to the placement.

Board Appointment

Following the acquisition of FMC, the founder of that company Mr Charles Chen joined the Board as an executive director and remains as the Managing Director of FMC based in Shanghai, China

Authorised by:

A handwritten signature in black ink, appearing to be 'BS', with a long horizontal line extending to the right.

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 March 2007

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers	10,365	13,879
1.2 Payments for		
(a) staff costs	(265)	(831)
(b) advertising and marketing	(25)	(191)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital (including inventories)	(10,403)	(13,857)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	7	20
1.5 Interest and other costs of finance paid	(45)	(129)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net operating cash flows	(366)	(1,109)

+ 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 (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(366)	(1.109)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	(1,558)	(1,558)
(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	(9)	(159)
1.13 Other (net cash acquired on acquisition of subsidiary) ¹	1,141	1,141
Net investing cash flows	(426)	(576)
1.14 Total operating and investing cash flows	(792)	(1,685)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc. ²	2,010	3,809
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings ³	1,100	1,125
1.18 Repayment of borrowings	(237)	(537)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	(119)
Net financing cash flows	2,873	4,278
Net increase (decrease) in cash held	2,081	2,593
1.21 Cash at beginning of quarter/year to date	(298)	(809)
1.22 Exchange rate adjustments to item 1.21	(37)	(38)
1.23 Cash at end of quarter	1,746	1,746

¹ Effective 1 January 2007, the Company acquired 100% of Freedomoter Company Limited, which as of the date of acquisition, had total cash at bank of US\$900,635.

² On 12th March 2007, the company raised \$2,010,000 by the issue of 17,478,261 shares at 11.5 cents each.

³ On 5th January 2007, the Company raised \$1,100,000 by the issue of 44 convertible notes to sophisticated investors, each with a face value of \$25,000 each.

+ See chapter 19 for defined terms.

The full application of the funds was towards the first tranche of the acquisition of Freedomotor Company Ltd. The full conditions of the note are per Appendix 3B released to the market on 9th January 2007.

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	69
	Aggregate amount of payments to the parties included in item 1.20	246
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	69
Non-Executive Directors' remuneration	-
Vendor Finance of US\$751,000 was provided by Mr Charles Chen the principal of Freedomotor Company Limited, as a component of the sale of Freedomotor to Optima Corporation Limited. and Executive Director of Optima Corporation Ltd. A\$237,000 was repaid during the March 2007 quarter.	237
Expenses totalling \$9,000 were paid by Optima Corporation to Northern Republic Pty. Ltd, of which Mr Patrick Davin is a director.	9
	315

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

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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	900,000	900,000
3.2	Credit standby arrangements*	2,500,000	2,373,000

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
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*The consolidated entity has the consolidated entity has access to an overdraft facility and trade loan facility totaling \$1,600,000. The facility was drawn down to \$1,473,694 at 31 March 2007.

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	2,944	623
4.2 Deposits at call	-	-
4.3 Bank overdraft	(1,198)	(921)
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,746	(298)

Acquisitions and disposals of business entities

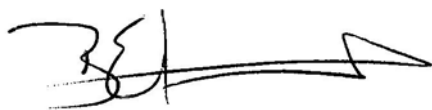
	Acquisitions (Items 1.13 and 2.1)	Disposals (Item 1.10(a))
5.1 Name of entity	Freedomotor Company Limited	
5.2 Place of incorporation or registration	British Virgin Islands	
5.3 Consideration for acquisition or disposal	USD \$5,000,000 **	
5.4 Total net assets	USD \$500,000	
5.5 Nature of business	Motorcycle Distributor	

** The consideration payable for the acquisition of Freedomotor Company Limited was US\$2,500,000 in cash plus deferred consideration payable in OPC equity equal to Freedomotor's 2007 calendar year NPAT, currently forecasted at US\$2,500,000 (subject to receipt of audited accounts).

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.

+ See chapter 19 for defined terms.



Sign here: Date: **18 April 2007**
(Managing Director)

Print name: **Blair Sergeant**

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.