

Appendix 4D

Half year Report to the Australian Stock Exchange

Part 1

Name of Entity	Optima Corporation Limited
ABN	36 098 455 460
Half Year Ended	31 December 2004
Previous Corresponding Reporting Period	Half Year Ended 31 December 2003

Part 2 – Results for Announcement to the Market

	\$'000	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities	100	337%
Loss from ordinary activities after tax attributable to members	(1,379)	571%
Net loss attributable to members	(1,379)	571%

Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Record date for determining entitlements to the dividends (if any)	Not Applicable	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Refer Part 4 for commentary on the results for the half year.

Part 3 – Contents of ASX Appendix 4D

Section	Contents
Part 1	Details of entity, reporting period
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Part 4 – Commentary on Results

The Company achieved many milestones during the half-year period which ultimately culminated in maiden sales being recorded in December 2004.

WEST as a surf brand was officially launched in the USA in September 2004, at the ASR Trade Show in San Diego, California, followed by Surf Expo in Orlando, Florida. A limited product range was introduced at the two September shows as the primary focus of our attendance at these shows was on building brand awareness rather than sales.

Other milestones achieved with the WEST brand included:

- ▲ Appointment of key staff in areas of sales, marketing, production and administration;
- ▲ Establishment of a warehouse facility in Oceanside, California;
- ▲ Implementation of a sophisticated inventory and sales management computer system capable of handling multiple brands in multiple locations;
- ▲ Appointment of a large team of sales representatives covering the majority of the key States; and
- ▲ Commencement of a number of marketing initiatives.

Optima also secured the exclusive USA distribution and intellectual property rights for well-known and respected surf accessories manufacturer, Creatures of Leisure (“**Creatures**”) in August 2004.

The Creatures licence is in line with Optima’s previously stated strategic objective of securing other surf brands that are complementary to Optima’s existing licence with WEST so this event was seen as significant. The two brands are merchandised through similar distribution channels and complement each other strongly from a logistics, marketing and brand management perspective.

The first two shipments of Creatures product arrived in California in late November, with maiden sales being achieved in December 2004.

Major milestones achieved with Creatures also included:

- ▲ The appointment of Damon George as brand manager; and
- ▲ The signing of USA based professional surfers Rob Machado, Chris Ward and Timmy Reyes.

During the half-year, the Company raised \$1,486,450 through the exercise of options (expiring 31 December 2004).

Part 5 – Details Relating to Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	
Amount per security	
Total dividend	
Amount per security of foreign sourced dividend or distribution	
Details of any dividend reinvestment plans in operation	
The last date for receipt of an election notice for participation in any dividend reinvestment plans	

Part 6 – Net Tangible Assets per Security

	2004	2003
Net tangible asset backing per ordinary security	2.56 cents	0.60 cents

Part 7 – Details of Entities Over Which Control has been Gained or Lost

Name of entity (or group of entities)	Creatures of Leisure (USA) Inc.
Date control gained or lost	4 August 2004
Contribution of the controlled entity (or group of entities) to the profit/(loss) from ordinary activities during the period, from the date of gaining or losing control	(\$108,287)
Profit (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A
Contribution to consolidated profit/(loss) from ordinary activities from sale of interest leading to loss of control	N/A

Part 8 – Details of Associates and Joint Venture Entities

	Ownership Interest		Contribution to net profit/(loss)	
	2004 %	2003 %	2004 \$A'000	2003 \$A'000
Name of entity	N/A	N/A	N/A	N/A
Associates				
Joint Venture Entities				
Aggregate Share of Losses				

Part 9 – Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited		The accounts have been subject to review	✓
The accounts are in the process of being audited or subject to review		The accounts have not yet been audited or reviewed	

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:

Not applicable

If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:

Not applicable