

OPERATIONS REVIEW - QUARTER ENDED 30 SEPTEMBER 2006

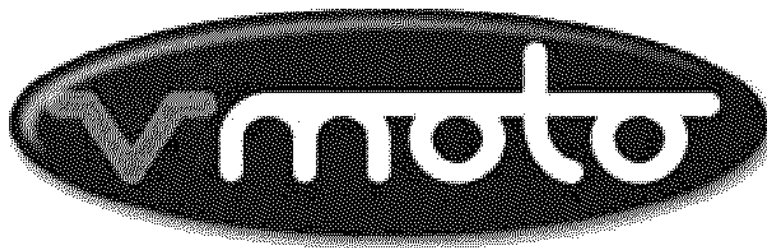
ANNOUNCEMENT

31 OCTOBER 2006

VMOTO

The September quarter is the first in which the results of the Company reflect the performance of the recently acquired Vmoto Motorcycles Australia.

Pleasingly, Vmoto has continued to experience solid growth during the quarter with 745 units of scooters sold into the Australian domestic market, a 31% increase compared to the same period last year. Turnover of \$1.4 million generating a trading profit was in line with expectations. Much of the success for the quarter has been attributed to the release of two new models of scooter, namely the retro styled 125cc Montego and the modern styled 50cc Matrix.



www.vmoto.com.au

Montego sales to date have been exceptionally strong with 150 units sold within the first 6 weeks of release and a strong backorder list recorded. The new Matrix has been equally impressive with strong sales posted and participation in the 1,000km Le Minz 24 hour scooter race that was held in Brisbane.

The two iconic original models the Milan and Monza, have recently been revamped with a number of aesthetic changes made in order to revitalise sales of the product. These two models remain Vmoto's top selling scooters and the facelift is set to further cement their positions as the top selling scooters in Australia.



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Vmoto's range of complimentary products has been bolstered during the past quarter with the launch of the Vmoto brand Visa card and discussions have commenced for other related products to help extend the range and build additional brand awareness.

A National advertising and marketing plan has been developed and is being implemented over the Summer period in order to further crystallise Vmoto's position as a brand leader within the scooter industry. Both print and radio media are to be utilized, together with a number of other unique marketing initiatives.

International

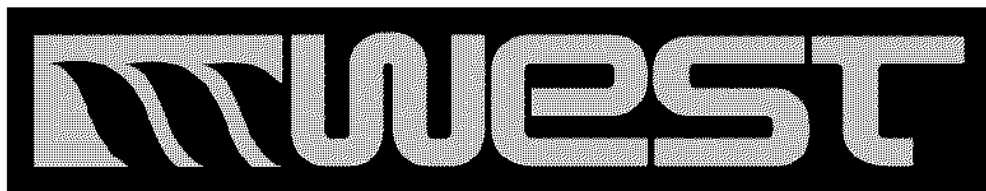
As previously announced, Vmoto appointed a new distributor for the New Zealand market that resulted in the immediate delivery of another 110 units of scooters. Further, as part of the overall negotiations within the territory, the pre-existing joint venture agreement has been terminated with Vmoto once again enjoying 100% of the benefits of exporting into New Zealand.

Discussions are continuing with a number of potential distributors in numerous new markets as Vmoto looks to roll out its international expansion plan. The Board is hopeful of being able to finalise one new distribution agreement sometime during the December quarter.

WEST

As previously announced, the Board conducted a strategic review of the US operations. Following that review and in light of the Company's recent acquisition of Vmoto, the Board has concluded that divestment of the West asset be seriously considered. To this end, the Board is currently in advanced negotiations to dispose of this asset and will therefore advise the market if and when any agreement is reached.

Total sales posted during the quarter amounted to approximately \$105,000.



CREATURES

Creatures continues to perform reasonably well although growth in the US market has slowed. Management has also worked tirelessly to sell down that inventory that is beginning to become dated. Although this represents a relatively small portion of total stock on hand, it has resulted to a decreased in margins.

Total sales recorded amounted to slightly less than \$310,000 for the quarter.

**CORPORATE ACTIVITY**

On the 11 September 2006, the Company successfully raised \$1,798,850 (before costs) through the issue of 23,984,667 fully paid ordinary shares at 7.5 cents each. The Company immediately repaid \$300,000 of debt out of the proceeds.

Authorised by:

A handwritten signature in black ink, appearing to be 'Blair Sergeant', written over a horizontal line.

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")

30 September 2006

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from customers	1,412	1,412
1.2	Payments for		
	(a) staff costs	(307)	(307)
	(b) advertising and marketing	(102)	(102)
	(c) research and development	-	-
	(d) leased assets	-	-
	(e) other working capital (including inventories)	(505)	(505)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	4	4
1.5	Interest and other costs of finance paid	(51)	(51)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net operating cash flows	(451)	(451)

+ 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 (3 months) \$A'000
1.8 Net operating cash flows (carried forward)	(451)	(451)
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	(451)	(451)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc. ¹	1799	1799
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	125	125
1.18 Repayment of borrowings	(300)	(300)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	(8)	(8)
Net financing cash flows	1,616	1,616
Net increase (decrease) in cash held	1,165	1,165
1.21 Cash at beginning of quarter/year to date	(809)	(809)
1.22 Exchange rate adjustments to item 1.21		
1.23 Cash at end of quarter	356	356

²On 11 September 2006, the Company raised \$1,798,500 (before costs) by the issue of 23,984,667 shares at 7.5 cents each.

⁺ See chapter 19 for defined terms.

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	70										
1.25 Aggregate amount of loans to the parties included in item 1.11	-										
1.26 Explanation necessary for an understanding of the transactions											
<table> <tr> <td style="padding-right: 20px;">Executive Directors' remuneration</td><td style="text-align: right;">58</td></tr> <tr> <td>Non-Executive Directors' remuneration</td><td style="text-align: right;">12</td></tr> <tr> <td>Payment to a director-related entity for secretarial & accounting services</td><td style="text-align: right;">-</td></tr> <tr> <td>Payment to a director-related entity for consultancy services</td><td style="text-align: right;">-</td></tr> <tr> <td></td><td style="text-align: right;"><u>70</u></td></tr> </table>		Executive Directors' remuneration	58	Non-Executive Directors' remuneration	12	Payment to a director-related entity for secretarial & accounting services	-	Payment to a director-related entity for consultancy services	-		<u>70</u>
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Non-Executive Directors' remuneration	12										
Payment to a director-related entity for secretarial & accounting services	-										
Payment to a director-related entity for consultancy services	-										
	<u>70</u>										

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
- | |
|--|
| |
|--|
- 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	1,443

*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 \$55,000 at 30 September 2006.

In addition to these facilities, the consolidated entity has access to an overdraft facility and trade loan facility totalling \$1,600,000. The total amount of these facilities drawn down at 30 September 2006 was \$1,388,000.

+ See chapter 19 for defined terms.

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	1,262	454
4.2	Deposits at call	-	-
4.3	Bank overdraft	(906)	(1,263)
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		356	(809)

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: Date: **31 October 2006**
(Managing Director)

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.

+ See chapter 19 for defined terms.