

State Development Fund Limited

Supplementary Document

1. Important information

This is a supplementary document which supplements the Prospectus dated 1 August 2002 and the supplementary documents dated 15 August 2002, 18 October 2002, 25 October 2002 and 20 January 2003 lodged by State Development Fund Limited relating to the Offer of up to 38 million Shares (subject to a minimum subscription condition of 16 million Shares). This document must be read together with the Prospectus and such earlier supplementary documents.

Capitalised terms not defined in this supplementary document have the meaning given to them in the Prospectus.

This supplementary document is dated 12 February 2003 and was lodged with ASIC on that date. Neither ASIC nor the ASX takes any responsibility for the contents of this supplementary document.

2. Background to this supplementary document

This supplementary document contains further information about the debt that will be incurred by Auspep Holdings to a third party financier, to finance part of the \$4 million purchase price under the Auspep Share Sale Agreement, if only the Minimum Subscription is achieved under the Offer

3. Financial Information

3.1 Pro Forma Statements of Financial Position and Performance

The financial information detailed below contains changes to the Statement of Financial Position provided in section 5.2 of the supplementary document dated 20 January 2003.

The changes to the Statement of Financial Position provided in section 5.2 of the supplementary document dated 20 January 2003 are:

- (a) a change to the amount identified as "Goodwill on Acquisition" in the "Min" column of the pro forma Statement of Financial Position; and
- (b) the introduction of a new amount being "Non Current, Interest Bearing Liability" in the "Min" column of the pro forma Statement of Financial Position.

These changes are to recognise:

- (a) the incorrect treatment of the purchase consideration for Auspep under the Auspep Share Sale Agreement; and
- (b) the debt that will be owed by Auspep Holdings to a third party financier following completion of the Auspep Share Sale Agreement, if only the Minimum Subscription is achieved.

The Boards of Auspep Holdings and Auspep have each confirmed to SDF that, in their opinion, the revenues and profits of Auspep will be sufficient to finance the expenses of Auspep as well as the repayment by Auspep Holdings of the debt due to the third party financier (in the event that only the Minimum Subscription is achieved) in accordance with the terms of that debt.

STATEMENT OF FINANCIAL POSITION

	Unaudited 31 Dec 2002 \$	Pro Forma Min \$	Max \$
Current Assets			
Cash Assets	-	1,013,479	4,893,479
Receivables	5,502	364,221	364,221
Prepayments	15,004	15,004	15,004
Inventories	-	151,717	151,717
Capitalised Capital Raising Costs	245,878	-	-
Deferred Tax Asset	-	34,725	34,725
TOTAL CURRENT ASSETS	266,384	1,579,146	5,459,146
Non Current Assets			
Property, Plant and Equipment	3,892	277,708	277,708
Other Financial Assets accounted for under the Equity Method	488,160	488,160	488,160
Goodwill on Acquisition	-	4,493,073	3,693,072
TOTAL NON CURRENT ASSETS	492,052	5,258,941	4,458,940
TOTAL ASSETS	758,436	6,838,087	9,918,086
Current Liabilities			
Payables	287,082	157,926	157,926
Interest Bearing Liabilities	14,537	-	-
Non Interest Bearing Liabilities	238,139	-	-
Provisions	-	27,297	27,297
Provision for Tax	-	31,073	31,073
TOTAL CURRENT LIABILITIES	539,758	216,296	216,296
Non-Current Liabilities			
Interest Bearing Liabilities	-	1,500,000	-
Provisions	-	67,664	67,664
TOTAL NON-CURRENT LIABILITIES	-	1,567,664	67,664
TOTAL LIABILITIES	539,758	1,783,960	283,960
NET ASSETS	218,678	5,054,127	9,634,126

EQUITY

Contributed Equity	814,400	4,384,400	9,764,400
Accumulated Losses	(595,722)	(595,722)	(595,722)
Minority Interest	-	1,265,449	465,448
TOTAL EQUITY	218,678	5,054,127	9,634,126

4. Statement of directors

This supplementary document is signed by Michael David McDonald, who signs it for and on behalf of and with the authority of each Director of the Company, each of whom has consented to the lodgement of this supplementary document with ASIC.

Michael David McDonald
Director
State Development Fund