



11 September 2007

FULL YEAR RESULTS TO 30 JUNE 2007

State Development Fund (SDF) reported a loss of \$21,348 for the full year ended 30 June 2007 compared with a loss of \$372,457 for the previous corresponding period.

The significant improvement in results is directly attributable to the operational performance of SDF's two investments and reduced administrative costs in SDF. In particular;

- Auspep, in which SDF has 76% ownership, increased its net profit after tax from \$17,808 to \$106,560 on a 6% turnover improvement. This has been attributable, in part, to Auspep having received GMP accreditation for its new facility at Tullamarine. Auspep supplies clinical grade peptides to pharmaceutical companies and research and development institutions. The Board of both SDF and Auspep are directing their efforts to consolidating Auspep's operations at Tullamarine by relocating its original premises from West Melbourne. The GMP facility and necessary equipment will be upgraded to maximise the synergies brought about by this relocation.
- SDF has been advised it will receive approximately \$60,000 from the 2006/07 results of its 33.81% stake in the Burnie Airport Corporation(BAC). BAC owns the business and assets of the Burnie-Wynyard Airport. The airport has had a successful year with turnover of \$1,166,118 and a profit of \$189,413. This reflects the successful partnership entered into with Regional Express (REX) to increase existing services following the withdrawal of Qantas in October 2007.
- SDF expects to receive increased cash inflows in 2007/08 from the sale of industrial and residential land owned by BAC.

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