



16 December 2003

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Dear Herlina

### **Nexus Portfolio Linked Floating Rate Notes**

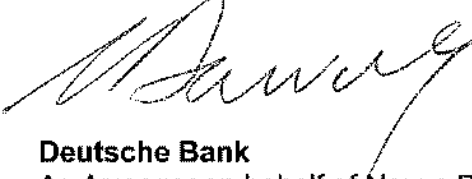
In relation to the offer of Portfolio Linked Floating Rate Notes ("**Notes**") by Nexus Bonds Limited (ABN 23 101 744 389) ("**Nexus**"), we confirm the following:

- 1 The offer for the Notes closed on 12 December 2003 at 5.00 pm (Sydney time);
- 2 Nexus has received and accepted valid applications for 700,000 Nexus Portfolio Linked Floating Rate Notes at an issue price of \$100 per Note;
- 3 The Prospectus stated that Nexus intended to raise \$56 million of Notes, with the ability to accept over-subscriptions of up to a further \$42 million. As a result of the acceptance of applications for 700,000 Notes as described in paragraph 2, the total amount issued will be \$70 million with the result that:
  - (a) the Principal Amount of the Notes will be \$70 million;
  - (b) the Protection Amount for the Notes will be increased proportionately to \$67 million;  
and
  - (c) the Maximum Portfolio Size will be increased proportionately to \$2 billion.
- 4 The Portfolio is required to comply on the Issue Date with all the criteria for its composition described in the Prospectus, including the requirement that all Portfolio Companies be investment grade on that date.
- 5 At a meeting of the Board of the Directors of Nexus on 16 December 2003, the Directors resolved:
  - (a) to approve the allotment of 700,000 Nexus Portfolio Linked Floating Rate Notes on 16 December 2003 in accordance with the allocation schedule;
  - (b) to dispatch holding statements to applicants in accordance with the allocation schedule by no later than Wednesday 17 December 2003 (confirmation of full dispatch will be provided to ASX); and

(c) to seek the commencement of trading on ASX of the Notes on Monday, 22 December 2003.

6 The interest rate applicable for the first quarter has been set at 8.7517%, which is equal to the 90 Day Bank Bill Rate of 5.5017% plus 3.25%.

Yours sincerely



**Deutsche Bank**  
As Arranger on behalf of Nexus Bonds Limited