

NEXUS YIELD BONDS QUARTERLY REPORT PERIOD ENDED 31 DECEMBER 2003

RE: BOND TRUST DEED DATED 31 OCTOBER 2002 AS AMENDED

Pursuant to Section 283BF of the Corporations Act, in respect of the quarter ended 31 December 2003 the Directors of Nexus Bonds Limited (hereinafter referred to as "the Company") report that:

- (a) there has been no failure by the Company to comply with the terms of the Nexus Yield Bonds ("**Bonds**") or the provisions of the bond trust deed between Permanent Nominees (Aust.) Ltd and the Company dated 31 October 2002 ("**Trust Deed**") or Chapter 2L of the Corporations Act during the quarter;
- (b) the obligations of the Company in respect of the Bonds are not guaranteed by any person;
- (c) no event has happened during the quarter that has caused, or could cause, one or more of the following:
 - (i) any amount deposited or lent under the Bonds to become immediately payable;
 - (ii) the Bonds to become immediately enforceable; or
 - (iii) any other right or remedy under the terms of the Bonds or provisions of the Trust Deed to become immediately enforceable.
- (d) no event has occurred during the quarter that materially prejudice:
 - (i) the Company; or
 - (ii) any security or charge included in or created by the Bonds or the Trust Deed;
- (e) the Company does not have any subsidiaries;
- (f) there has been no substantial change in the nature of the business of the Company during the quarter;
- (g) there are no net amounts outstanding on any advances at the end of the quarter where the Company has created a charge where:
 - (i) the total amount to be advanced on the security of the charge is indeterminate; and
 - (ii) the advances are merged in a current account with bankers, trade creditors or anyone else;
- (h) there are no other matters that may materially prejudice any security or the interests of the Bond holders;

- (i) the Company has not deposited money with, or lent money to, or assumed any liability of, a related body corporate during the quarter; and
- (j) no Company Event (as described in the Prospectus for the Bonds dated 30 October 2002) has been notified to the Company by Deutsche Bank AG pursuant to the Portfolio Agreement dated 31 October 2002.

Dated at Sydney *20th* day of *January*, 2004

FOR AND ON BEHALF OF THE BOARD

L. J. Kinnear
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Director

Doyle O'Neill
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Director