

# supplementary prospectus

Nexus Bonds Limited ABN 23 101 744 389

This two page Supplementary Prospectus relates to the Prospectus dated 31 October 2002 issued by Nexus Bonds Limited in connection with the issue of Nexus Yield Bonds.

This Supplementary Prospectus supplements, and should be read together with, the Prospectus. No responsibility as to the contents of this Supplementary Prospectus is taken by ASIC or ASX. Words and expressions used in this Supplementary Prospectus have the meanings given to them in the Prospectus.

This Supplementary Prospectus is dated 20 November 2002. It was lodged with ASIC on that day.

The directors of Nexus do not believe that any of the announcements described below is materially adverse to investors.

## **New Developments - Household International, Inc.**

Since the Prospectus was lodged with ASIC, HSBC Holdings plc ("HSBC") has announced it has reached an agreement with Household International, Inc. ("Household") for HSBC to acquire Household ("Proposed Acquisition"). Upon completion, Household will become a wholly-owned subsidiary of the HSBC Group. The Proposed Acquisition is subject to certain conditions including approval by the shareholders of HSBC and Household and various other regulatory consents and approvals. HSBC announced that the Proposed Acquisition is expected to be completed by the end of the first quarter of 2003.

Following the announcement by HSBC, Standard & Poor's Ratings Services (Standard & Poor's) announced that it has placed its ratings on Household, including its 'A-/A-2' counterparty credit ratings, and related entities on CreditWatch with positive implications. Standard & Poor's has stated that "The CreditWatch action of Household reflects the benefit it will derive from membership of one of the world's leading financial groups. In particular, it will likely see an improvement over time in its cost of funding, which has increased significantly during 2002....Upon the close of the transaction, credit ratings on Household will likely increase one notch to A/Stable/A-1."

Household Finance Corporation ("HFC") is one of the companies in the Portfolio and is a wholly-owned subsidiary of Household (see page 55 of the Prospectus for further details). As a result of the Proposed Acquisition, HFC's ultimate parent company will become HSBC. The announcement of the Proposed Acquisition does not describe any event which would be a "Company Event" for HFC (see section 8.4 of the Prospectus) or result in there being a successor company to HFC for the purposes of the Portfolio (see also section 8.4 of the Prospectus). On this basis, HFC will continue to be a company in the Portfolio.

## **New Developments - AMP Group Holdings Limited**

Since the Prospectus was lodged with ASIC, Standard & Poor's announced that it has placed AMP Group Holdings Limited ("AMP Group Holdings") and related entities on CreditWatch with negative implications.

AMP Group Holdings is one of the companies in the Portfolio. Standard & Poor's announcement does not describe any event which would be a "Company Event" for AMP Group Holdings (see section 8.4 of the Prospectus).

supplementary prospectus

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## **New Developments - CSR Limited**

Since the Prospectus was lodged with ASIC, CSR Limited (“CSR”) has announced its intention to demerge its heavy building materials businesses into a separate listed Australian entity to be known as Rinker Group Ltd. Following the announcement by CSR, Standard & Poor’s announced that it has placed the corporate credit rating of CSR and its rated debt programs on CreditWatch with negative implications. However, Standard & Poor’s has said “the demerged entities will each be of solid investment grade credit quality”.

CSR is one of the companies in the Portfolio. CSR’s announcement does not describe any event which would be a “Company Event” for CSR (see section 8.4 of the Prospectus) nor does it provide sufficient information to determine whether, if the demerger is completed, the successor provisions of the Portfolio Agreement will apply (also see section 8.4 of the Prospectus).

## **Consents to lodgment**

Standard & Poor’s has given, and has not before lodgment of this Supplementary Prospectus with ASIC withdrawn, its written consent to the inclusion in this Supplementary Prospectus of statements attributed to it in the form and context in which they are included. Except with respect to the statements attributed to it, Standard & Poor’s has made no statement included in this Supplementary Prospectus or on which a statement in this Supplementary Prospectus is based.

Each director of Nexus has given, and not withdrawn, their consent to the lodgment of this Supplementary Prospectus with ASIC.

