



SFE Bulletin No: 24/03

From: SFE Corporation Limited ABN 74 000 299 392

Date of Issue: 05 May 2003

Clarification of Eastern Young Cattle Indicator Composition

This Bulletin confirms the composition of the Eastern Young Cattle Indicator (EYCI), against which the MLA/SFE Cattle Futures contract is priced. The EYCI is provided by the National Livestock Reporting Service (NLRS), which is part of Meat and Livestock Australia (MLA).

The EYCI is a seven-day rolling weighted average of 24 young cattle categories from 26 saleyards in Queensland, New South Wales and Victoria. The EYCI is expressed in ¢/kg dressed (carcase) weight.

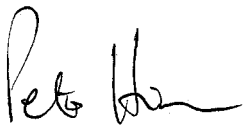
NLRS cattle categories in the EYCI, as detailed in the following table, include cattle purchased at the 26 saleyards for either restocking or slaughter. Please note that the NLRS separately categorise cattle bought by lot feeders into Feeder Heifers and Feeder Steers (as distinct from the Vealer and Yearling categories) and, as such, these are not included in the EYCI.

| NLRS Cattle Categories | Muscle and fat score | Weight (live weight) |
|------------------------|----------------------|----------------------|
| Vealer Steers | C2 & C3 | 200.1 - 280kg |
| | | 280.1 - 330kg |
| | | 330.1kg+ |
| Vealer Heifers | C2 & C3 | 200.1 - 280kg |
| | | 280.1 - 330kg |
| | | 330.1kg+ |
| Yearling Steers | C2 & C3 | 200.1 - 330kg |
| | | 330.1 - 400kg |
| | | 400.1kg+ |
| Yearling Heifers | C2 & C3 | 200.1 - 330kg |
| | | 330.1 - 400kg |
| | | 400.1kg+ |

Since its inception, the EYCI has not included the NLRs Feeder Heifers and Feeder Steers categories for the following reasons:

1. Age classification is not recorded by the NLRs for Feeder Cattle due to the complexity of individual feedlot orders and proposed end markets. As the age classification is not recorded for Feeder Cattle, it is not possible to incorporate them into a young cattle (weaner or yearling) classification as would be required for the EYCI.
2. Similarly, as they are not destined for immediate slaughter, no dressing percentage is recorded. Without a dressed (carcase) weight estimate, Feeder Cattle cannot be included in the EYCI as the EYCI is expressed in c/kg dressed (carcase) weight.

Please direct any general enquiries regarding the composition of the EYCI to Adrian Galea at the NLRs on 02 9463 9373 or agalea@mla.com.au. Alternatively, please contact Peter Weeks at Meat and Livestock Australia on 9463 9167 or pweeks@mla.com.au for specific enquiries relating to the MLA/SFE Cattle Futures contract and the EYCI.



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