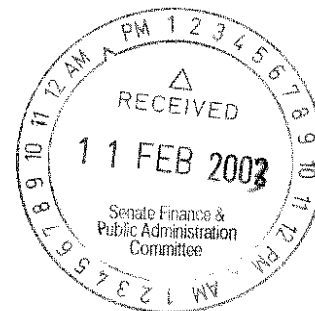


**AUSTRALIAN INDUSTRY DEVELOPMENT
CORPORATION**

11 February, 2003

PRESS RELEASE



Australian Industry Development Corporation

It has been reported to us that Senator Conroy has alleged in Senate Estimates today that the Corporation has hidden losses of the order of \$2 billion following the privatisation of its operating subsidiary AIDC Ltd, in 1997/1998.

It is understood that Senator Conroy has alleged that a change in accounting policy may have caused this position. The change in accounting policy (p15. of the 1998 Accounts) was made by the Corporation to reflect the expected sale of the residual investments of the Corporation following the privatisation. The Corporation's accounting policy was determined by the Board in accordance with applicable accounting standards following recommendations by the Corporation's accountants and endorsed by the joint auditors, Ernst & Young and the ANAO.

The Corporation has no hidden losses and its Accounts are subject to annual audit by Ernst & Young and the ANAO. For all years the Accounts of the Corporation have received a clear audit sign off.

The Corporation believes that there must have been a misreading of the Accounts by the Senator.

Ian Morison
Chief Executive