



SDI Limited and controlled entities
A.B.N. 27 008 075 581

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of SDI Limited will be held at 2.00pm on Friday, 29 October 2004 at The Sheraton on the Park, Beaumont Room, 161 Elizabeth Street, Sydney, NSW 2000, Australia.

Business

(1) To receive, consider and adopt the financial report of the Company and of the Economic Entity for the year ended 30 June 2004 and the reports by Directors and Auditors on the financial report.

(2) To elect three Directors:

In accordance with article 25.2 of the Company's Articles of Association, the following two Directors retire by rotation and, being eligible, offer themselves for re-election:

- (a) Ms. S.J. Cheetham
- (b) Mr. A.J. Bardely

In accordance with article 26.3 of the Company's Articles of Association, the following Director having been appointed to fill a casual vacancy during the course of the year and, being eligible, offers himself for re-election:

- (c) Mr. J.N. Isaac

(3) To consider, and if thought fit, pass the following resolution:

"That in accordance with Section 254H (1) of the Corporations Act 2001, each existing fully paid ordinary share in the capital of the Company be converted into five (5) fully paid ordinary shares".

Please refer to the accompanying Explanatory Note for further information relating to this proposed resolution.

(4) General: To transact any other business which may be lawfully brought forward.

By order of the Board

J.J. SLAVIERO
Company Secretary
Dated: 27 September 2004

Proxies

A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote in his/her stead. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights. A proxy need not be a member of the Company. Proxies must be lodged at the registered office of the Company not later than 48 hours before the meeting. A form of proxy is provided with this notice.



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Agenda item (3) – Explanatory Note

Capital Subdivision

Liquidity in the shares of SDI Limited is considered to be less than ideal. The Directors have been advised that based on the experience of other companies, a share split may assist liquidity in share trading.

The Directors are therefore proposing that each existing fully paid ordinary share in the capital of the Company be converted into five (5) fully paid ordinary shares. This will result in the shares on issue increasing from 23,411,962 to 117,059,810. Therefore, a shareholder who holds one share pre-subdivision at an indicative market price of \$9.40, will hold five shares at \$1.88 post subdivision.

The Company has issued options pursuant to its Executive Share Option Plan and these options will be sub-divided in the same ratio as the ordinary capital and the exercise price will be amended in inverse proportion to that ratio. Therefore, executives with one option at an exercise price of \$2.43 pre-subdivision will hold five options at an exercise price of \$0.486 post subdivision.

On the basis that shareholders approve the subdivision of capital, the following timetable will apply:

Friday, 29 October 2004: AGM held and results released to the Market.

Monday, 1 November 2004: Trading in the Company's reorganised securities commences on a deferred settlement basis – (ASX Code: SDIDA).

Monday, 8 November 2004: Last day for Company to register transfers of shares on a pre-reorganisation basis.

Tuesday, 9 November 2004: First day for the Company to register transfers of shares on a post reorganisation basis.

Monday, 15 November 2004: Despatch date for issue of transaction confirmation statements. Deferred settlement market on ASX ends.

Tuesday, 16 November 2004: Normal T+3 trading recommences on a post reorganisation basis – (ASX Code: SDI).

Friday, 19 November 2004: First settlement date for trades conducted on a T+3 basis and first settlement of on market trades (in SDIDA) affected on a deferred settlement basis.



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Proxy Form

Registered Office

5-7 Brunsdon Street
BAYSWATER VIC 3153
AUSTRALIA

I/We _____
of _____ being a member/members of SDI Limited
hereby appoint _____
of _____
as my/our proxy to attend and exercise all of my/our behalf at the Annual General Meeting of the Company to be held on
the 29 October 2004 and at any adjournment thereof. If two proxies are to be appointed apply to the Company for a
special form.

Signed this _____ day of _____ 2004

Witness _____ Signature of Shareholder _____

If you desire to direct your proxy how to vote, please complete the following. Unless otherwise instructed the proxy will
vote as he or she thinks fit, or abstain from voting.

I/We **direct** my/our proxy to vote:

Agenda Item:	FOR	AGAINST	ABSTAIN
	(Tick appropriate box)		
(1) Adoption of Financial Report	☐	☐	☐
(2) Election and appointment of Directors			
(a) Re-election of Ms. S.J. Cheetham	☐	☐	☐
(b) Re-election of Mr. A.J. Bardsley	☐	☐	☐
(b) Re-election of Mr. J.N. Isaac	☐	☐	☐
(3) Share Split	☐	☐	☐

NOTE: Any instrument appointing a proxy deposited at the Registered Office of the Company in which the name of the
appointee is not filled in shall be deemed to be given in favour of the Chairman of the meeting. A proxy shall be signed by
the member or the member's attorney or if a corporation, under its Common Seal or under the hand of its attorney.
The proxy and power of attorney (if any) under which it is signed must be deposited at the Registered Office of the
Company not less than 48 hours before the time for the holding of the meeting. Unless this is done the proxy will not be
treated as valid.

An additional proxy form will be supplied by the Company on request.