



2013

2012

Shareholders' Annual Meeting November 2013



Chairman Sir John Anderson



Annual Meeting Agenda

- Report on the Company's activities
 - Chairman's Address
 - CEO's Address
- Election of Directors
- Appointment and remuneration of Auditors
- General discussion/questions
- Refreshments

Board of Directors and Company Secretary

- › Sir John Anderson
- › Dave Taylor
- › Anne Urlwin
- › Dean Pritchard
- › Janine Smith
- › Rosemary Warnock
- › Janie Elrick (Company Secretary)

Chairman's Address – Performance Highlights

- Profit after tax \$15.6M, ^ 19%
- Sales revenue \$393M, v 3%
- Operating cash \$27.5M, ^ 47%
- Full year dividend 15 cents per share
 - 84% Pay-out ratio

Chairman's Address – Outlook

- Business confidence continues to rise
- Construction consents continue to increase
- Improved volumes in the 4 months of this year's trading
- Industry remains very competitive
- Internal initiatives are building a solid platform

CEO's Address

Dave Taylor



CEO's Address – Overview

Strong Foundation for Growth



CEO's Address – Health & Safety

Enhanced Approach



STRONGER IN EVERYWAY

 iCare

 steel&tube
STRONGER IN EVERYWAY

SHAREHOLDERS' ANNUAL MEETING NOVEMBER 2013

CEO's Address – Health & Safety Performance

- › Lost Time Incidents reduced by 50% v
- › Medical Treatment Incidents reduced by 41% v
- › Killers & Lifesavers Programme gains external recognition

The logo for iCare, featuring a small red cross icon above the word "iCare" in a bold, white, sans-serif font.

CEO's Address – Developing Our People and Culture

Our Strength



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CEO's Address – Developing Our People and Culture

- › Over 1200 training days of Capability Training in addition to 'Business As Usual' training
- › Next phase of the Values Programme commences
- › Staff engagement improved by 6%

CEO's Address – One Company

- › Good progress with One Company on multiple fronts
- › Supply Chain key elements in place
- › Focus on innovation continues
 - › New equipment
 - › New customer solutions

CEO's Address – Investing in the Business

Enhanced Customer Service

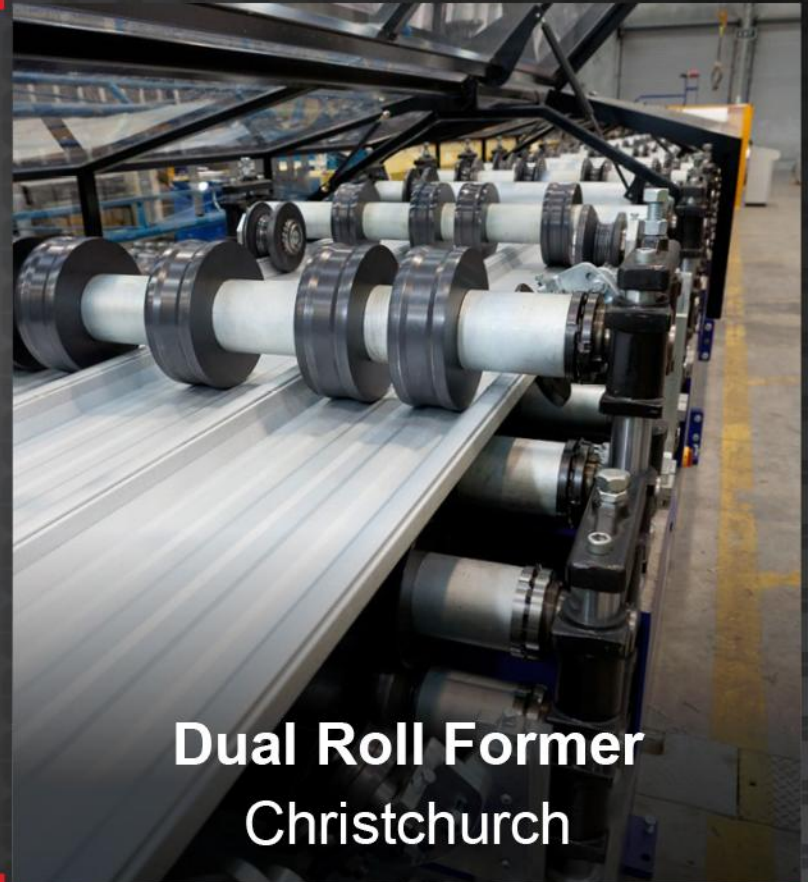


CEO's Address – Investing in Innovation

Our Future



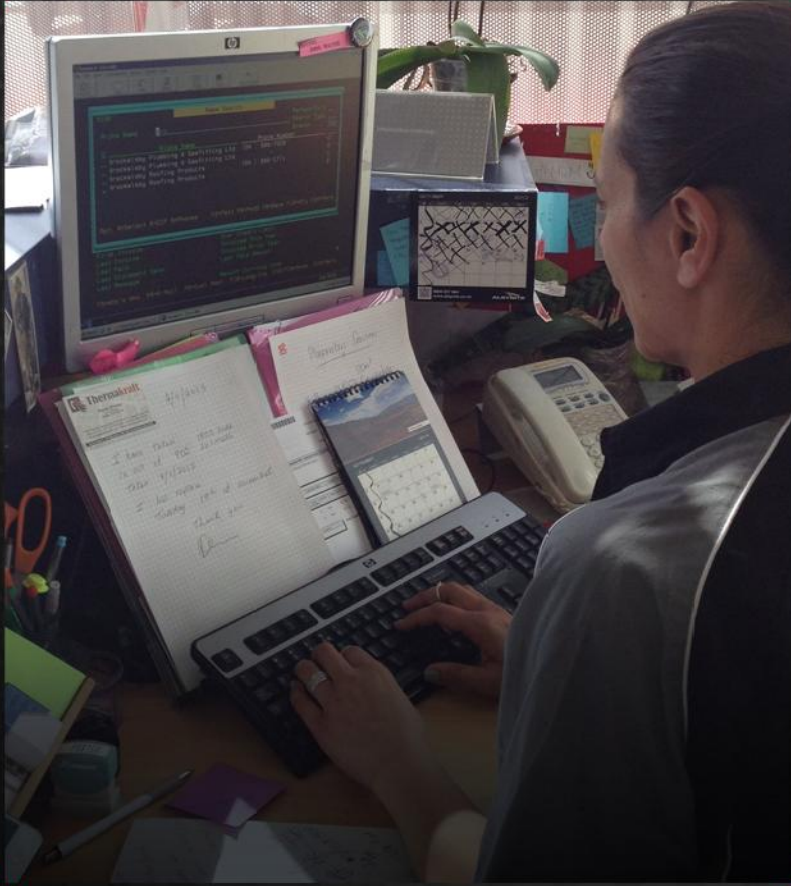
**Waterview Tunnel Project
Auckland**



**Dual Roll Former
Christchurch**

CEO's Address – Investing in IT Infrastructure

Working Smarter



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CEO's Address – Trading Environment

Key Industry Sectors



Construction



Manufacturing



Rural

CEO's Address – Global Pricing

Volatile Raw Material Prices



CEO's Address – Outlook: Building Consents

- Residential consents ^ 23.9%
- Non-residential consents ^ 8.9%
- Normal lag between consents and actual work put in place
- Government expects to spend \$3.3B per annum for the next 5-8 years
- MBIE review to leverage Government spend and mitigate inflation

*Data from NZ Statistics: Year on year for September 2013 by value.

CEO's Address – Outlook: Rural

- Drought impact less than expected
- Strong commodity prices
- Investment in:
 - Dairy conversions
 - Milk powder plants
 - Viticulture

CEO's Address – Outlook: Manufacturing

- Increasing confidence, however...
- Activity levels in dollar terms at the lowest level since September 2009

CEO's Address – Outlook: Summary

- Excess steel production, especially China
- Downwards pressure on pricing, but volatility to continue
- Internally, good progress continues
- Start of the new year has seen volume steadily improve but margins remain tight
- Company in a strong position to capitalise on growth

Resolutions

- › Item 1: Adoption of the Directors' Reports and Financial Statements
- › Item 2: To re-elect Dean Pritchard
- › Item 3: To re-elect Dave Taylor
- › Item 4: To elect Anne Urlwin
- › Item 5: Appointment and remuneration of Auditors
- › Item 6: Other business

The background features a dark, monochromatic image of various steel pipes and tubes. Some pipes are bundled together, while others are individual. Several identification tags are attached to the pipes, with the year '2013' written in red on one tag and '2011' on another. The entire scene is overlaid with a subtle, repeating pattern of small squares.

STC

steel&tube

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