



CHAIRMAN'S ADDRESS

20 OCTOBER 2004

Ladies and Gentlemen

Before moving the adoption of the Accounts and Reports, I would like to comment on some of the features and trends in the Company's affairs.

REVIEW OF THE FINANCIAL YEAR

I am delighted to be able to report that the year has been a very successful one for the Company.

The Group returned a 32% increase in tax paid profit for the twelve months ended 30 June 2004 when compared with the previous year.

The net profit after tax of \$28.46 million was a record for the Company and \$6.94 million more than for the previous twelve months.

The Directors declared total dividends of 37 cents per share fully imputed during the year, inclusive of a special dividend of 10 cents. This was an increase of 60 % when compared with last year's 23cents.

At last year's Annual Meeting I indicated that it was our belief that provided there was no significant change to the economy our expectation was for an overall improved result. The inclusion of a full year's trading from Hurricane Wire Products was obviously one significant factor in this regard.

In this respect, I am pleased to report that the first full year earnings from Hurricane Wire Products, acquired in April 2003, has been up to expectations and that the integration into the Steel & Tube Group has gone particularly well. This is a credit both to the management of Steel & Tube and the Hurricane executives who have joined the Group.

The stronger than expected economy created a positive market environment which benefited both ourselves and our customers who are mainly involved in manufacturing, commercial and residential construction, and the agricultural sector.

An increase in net migration, and consumer spending drove the record demand for the construction of new dwellings and the positive flow on effect to the manufacturing sector.

The value of Commercial construction while flat in the first half of the year gathered momentum as the year progressed to finish 17% ahead of the prior year.

The rural sector also benefited as returns to farmers increased as the year progressed due to higher export volumes and an increase in commodity prices.

These factors plus management initiatives resulted in all our trading operations recording considerably better results than the prior year and contributed to the Company's record profit result.

The Company achieved excellent safety performance with only one lost time injury for the full year. It has also been pleasing to see the improvement in safety management within the Hurricane businesses since they joined Steel & Tube. This is an excellent achievement and a credit to management's focus on this critical aspect of the business. Of course we continue to strive for our ultimate goal of zero injuries.

Personnel

On behalf of the Directors I would like to acknowledge the contribution by our Chief Executive Officer Nick Calavrias, his management team, and, all employees to what has been a very successful year for the Company. The financial and safety results are truly world class and the objectives set at the beginning of the year have been exceeded which is pleasing for the Board and something of which all staff can be justifiably proud.

In Summary

The result for 2003/ 04 year was an excellent improvement on the prior period and the integration of Hurricane has gone particularly well.

The Company is in good shape with a strong balance sheet and management is focused on strategies aimed at increasing shareholder value.