

8 August 2018

STU / NZX ANNOUNCEMENT



STEEL & TUBE RELEASES RIGHTS OFFER DOCUMENT

Steel & Tube Holdings Limited (NZX: STU) announced on 7 August 2018 that it is seeking to raise approximately \$60.1 million of new capital through a fully underwritten, pro rata, 1 for 1.9 rights offer at NZ\$1.05 per share.

The Offer document is attached and will be sent to eligible shareholders on 16 August 2018.

Applications can be made online at www.shareoffer.co.nz/steelandtube from Friday 17 August 2018. Applications must be received by 5.00pm on Monday 3 September 2018 (unless extended).

Background to the Rights Offer

As announced on 7 August 2018, Steel & Tube is looking to raise approximately \$80.9 million which will be used to repay debt, strengthening the company's balance sheet and providing greater flexibility for Steel & Tube to execute its strategy and deliver better value for shareholders.

The Rights Offer follows a \$20.8 million placement which was successfully completed on 7 August 2018, with strong support from existing and new institutional investors.

Under the Rights Offer, eligible shareholders are entitled (but not obliged) to subscribe for 1 new share for every 1.9 existing shares held as at 5.00pm on the record date of 15 August 2018, at an issue price of \$1.05 per new share. This represents a 28.1% discount to the closing share price on the NZX on 6 August 2018 and a 18.3% discount to the theoretical ex-rights price (TERP) of \$1.28 per share, post the Placement and the Rights Offer, based on the pre-announcement close of \$1.46.

Any entitlements that are not taken up by eligible shareholders and entitlements of ineligible shareholders will be offered for sale in the shortfall bookbuild. Eligible retail shareholders will have the opportunity to participate in this bookbuild alongside institutional investors.

Full details of the Offer are included in the Offer document which has been released today.

Key Dates:

- Record date for rights issue: 5.00pm on 15 August 2018
- Despatch of Rights Offer to Shareholders: 16 August 2018
- Opening Date of Rights Offer: 17 August 2018
- Closing Date of Rights Offer: 5.00pm on 3 September 2018
- Shortfall Bookbuild: 5 September 2018
- Allotment Date: 7 September 2018
- Payment of any premium achieved in the Bookbuild: By 11 September 2018

Available information on the Offer, including the Investor Presentation, is available on Steel & Tube's website www.steelandtube.co.nz/investor/presentations or on the NZX at www.nzx.com/companies/STU.

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