



everyday

OUR STORIES OF STRENGTH

DECEMBER 2014

IN THIS ISSUE:

- › A Year Of Celebration
- › Customers Help Celebrate 60 Years
- › Kicking It With The Crusaders
- › Partner In Performance
- › Videos Reveal Key Role In Landmark Projects
- › Partnership Protects At-risk Environments
- › Steel & Tube Delivers Solid Annual Result
- › Stainless Rebrand Now Complete
- › Tunnel Contributes To Landmark Memorial
- › Steel & Tube Backs Affordable Housing
- › Leader In Health & Safety
- › One Bridge Opens In Whangarei
- › New Profile Marks Company Milestones
- › Turning Dreams Into Reality
- › Latest Scholarship Winner Revealed
- › Steel & Tube Employee Wins Workmanship Award
- › Christmas Hours

“Sixty years is a long time for any business and that kind of longevity doesn’t happen by accident.”



This has been a year to celebrate at Steel & Tube. 2014 not only marks 60 years since the business began, it has seen some of the

most remarkable projects and significant internal changes in the company’s history.

Steel & Tube organised a range of activities to commemorate our 60th year, including hosting evening social events in Christchurch and Auckland. The evenings were an opportunity for me and other Steel & Tube staff to engage with some of our most long-standing customers, thank them personally for their loyalty and acknowledge their contribution over the years.

Sixty years is a long time for any business and that kind of longevity doesn’t happen by accident. During that time, we’ve adapted, realigned and adjusted the organisation to stay ahead of market changes and respond to shifting customer requirements. We have worked hard to build lasting partnerships with our customers and continually deliver excellent products and quality services.

It’s an approach that continues to serve us well. Our acquisition of Tata Steel International (Australasia) – now Steel & Tube Stainless – greatly enhances our product capability and strengthens our position as the leading supplier of stainless steel products with a nationwide distribution network. The business supports renewed investment in the food and viticulture sectors and provides a strong and lasting platform from which to support Kiwi businesses and the customers they serve.

While the acquisition was a significant accomplishment, it was just one element of a very busy and productive year for Steel & Tube. Activity across the business increased, led by a strong demand for residential and

commercial construction in Auckland and Christchurch. In addition, we have launched several important new initiatives in 2014. These include support for the Housing Foundation, which helps young Auckland families into their first home, and sponsoring the Queen Elizabeth II National Trust, which works to protect and enhance New Zealand’s open spaces.

Steel & Tube also participated in some of the country’s most important and iconic projects, which are set to enhance and enrich our cities, towns and communities. Auckland’s Waterview Connection, Wellington’s National Memorial Precinct and underpass, and the Burwood Hospital complex in Christchurch are among them.

As an organisation, Steel & Tube often adopts a background role in these landmark projects, preferring our customers take centre stage. That’s as it should be – I believe our most important role is to grow and support the capability of our partners and customers. Yet, we are undeniably proud to be involved with these projects and you can read about many of them in this newsletter.

As our 60th anniversary celebrations draw to a close, I would like to take this opportunity to thank all Steel & Tube customers for making 2014 a great year. As we look toward the New Year, I invite you to join me in making 2015 equally memorable.

Until then, I wish you and your families a safe and enjoyable holiday season.

Dave Taylor

Dave Taylor
Chief Executive Officer



Customers Help Celebrate 60 Years

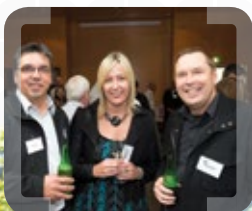
Customers attended special social engagements in Auckland and Christchurch as part of Steel & Tube's 60th anniversary celebrations.

In August, Steel & Tube celebrated its 60th anniversary with Christchurch customers at the iconic Ilex – Botanic Gardens events centre. The building, which was opened in April by TRH Duke and Duchess of Cambridge, was a fitting venue for this special event as Steel & Tube supplied much of the building's structural steel and pipework to support the heating, ventilation and air conditioning system.

Steel & Tube hosted a similar event in October for our Auckland customers at the Villa Maria Estate Vineyard.

Both early evening events had an excellent turn out and provided a great opportunity for Dave Taylor, Steel & Tube's Chief Executive, and other members of the Lead Team to meet longstanding customers, thank them for their loyalty and discuss the journey ahead.

Coincidentally, the celebrations also marked the 60th anniversary of Steel & Tube Stainless, formerly Tata Steel International (Australasia), which integrated into the business earlier this year.



Customers celebrate Steel & Tube's 60th anniversary at early evening events at the Ilex – Botanic Gardens in Christchurch and Villa Maria Estate Vineyard in Auckland.



Kicking It With The Crusaders

Kids in Christchurch had a chance to sharpen their ball skills with the Crusaders again this year.

Steel & Tube invited customers and staff from Canterbury to bring their children along to meet some of their favourite players at the 2014 Crusaders Kids' Skill Session.

More than 260 people, including 133 kids aged between 3-16 years, attended the early evening event, which was held in June at Addington Raceway's Spectators event centre.

The kids were put through their paces by five Crusaders – Colin Slade, Samuel Whitelock, Adam Whitelock, Jimmy Tupou and Dominic Bird. The players led warm up and training drills, and revealed some special skills to help the kids improve their game. There was also an opportunity to ask questions, collect autographs and pose for photographs with the players.

Between skills sessions, the kids were kept entertained with face painting, and the venue provided plenty of sustenance for children and parents alike. Each child also received a goody bag and five Crusaders jerseys were given away in a competition drawn by the players.

The evening was a high point in another very rewarding year in Steel & Tube's three-year partnership with the Crusaders. It was a privilege to host some of our Christchurch customers at the Crusaders' home games this season, and the hospitality and generosity of the team makes each of these events a memorable occasion.

Steel & Tube would like to thank all customers, staff and players for making the skills session such a special night.



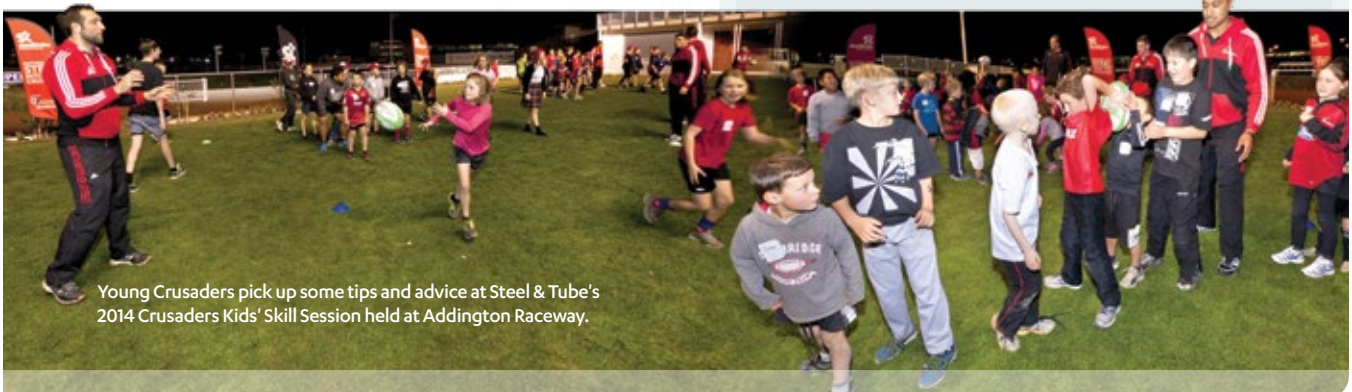
Partner In Performance

Earlier this year, the Crusaders announced their intention to construct a purpose-built high performance facility at Rugby Park in Christchurch.

The new high performance facility brings together a world class training environment for the players, coaches and support staff, to assist the Crusaders' performance goals and help them take on their competitors in the Super Rugby competition.

In a demonstration of the reciprocal nature of our relationship with the Crusaders, construction of the new facility will specify Steel & Tube product in a preferred supplier arrangement.

Steel & Tube is proud to partner with the Crusaders on this project, and match the Crusaders' dedication to performance with our own commitment to quality, excellence and resilience as we work together to build a stronger Christchurch.



Young Crusaders pick up some tips and advice at Steel & Tube's 2014 Crusaders Kids' Skill Session held at Addington Raceway.

Videos Reveal Key Role In Landmark Projects

Steel & Tube has released several videos that provide a behind-the-scenes glimpse into some of the country's most ambitious projects.

Presented as a series of engaging and informative case studies, the videos provide customers, supply partners and the public with a snapshot of Steel & Tube's capabilities and a brief insight into some of our most interesting and innovative projects. The case studies include:

- **The Waterview Connection in Auckland**
– This \$1.4 billion project is the largest roading infrastructure programme ever undertaken in New Zealand. Steel & Tube's innovation and logistical capability played an important role in supplying this complex project.
- **Burwood Hospital in Christchurch**
– Due to be completed by 2016, this state-of-the-art, 30,000 square metres facility is part of the largest and most complex hospital redevelopment project in the history of New Zealand's public health service.

- **The Len Lye Centre in New Plymouth**
– An addition to the Govett-Brewster Art Gallery, this significant architectural and national arts landmark comprises new exhibition spaces, an education suite, information hubs and a cinema.
- **Waikato Milking Systems' manufacturing facility in Hamilton**
– This purpose-built facility enables New Zealand's leading dairy technology company to design and manufacture dairy solutions for clients across New Zealand and more than 20 countries around the world.

Each of the videos, which were commissioned as part of Steel & Tube's 60th anniversary celebrations, can be viewed on the Steel & Tube website at www.steelandtube.co.nz/corporate/news/2014/take-tour-of-our-success-stories



Partnership Protects At-risk Environments

Steel & Tube has partnered with the Queen Elizabeth II National Trust to protect, preserve and enhance New Zealand's unique natural environment.

The Trust works with private New Zealand landowners to protect special natural and cultural features on their land. In return, landowners agree to a voluntary covenant, which protects the land and binds all current and future landowners in perpetuity. Since it was established in the mid-1970s, the Trust has registered more than 3,500 protective covenants on sites across the country.

The sponsorship agreement with Steel & Tube will enable the Trust to complete the Soho Project – a 53,000 hectare block of land between Lake Wanaka and Arrowtown. It is the largest preservation and protection project the organisation has ever undertaken, equal in size to the combined areas of Paparoa and Abel Tasman national parks. When complete, the Soho Project will protect iconic high-country over a large part of Motatapu, Mount Soho, Glencoe and Coronet Peak stations.

"We're initially assisting the Trust with product to fence a very large and very remote area of Central Otago. But we also hope to establish an on-going arrangement that will make it easier for other landowners and covenant holders to access Steel & Tube products," says Brendan Smith, Steel & Tube's Group Manager, Stainless and Rural.

"Partnering with the Trust enables Steel & Tube to support an organisation that is doing a great deal to protect rural environments and encourage the role of farmers as responsible stewards of the land," he says. "I think that is a positive thing to do."

To find out more about the QEII National Trust and the Soho Project, visit www.openspace.org.nz. For more information about the Steel & Tube products, check out our rural products range at www.steelandtube.co.nz/product/rural



Steel & Tube Delivers Solid Annual Result

While the uplift in economic activity has clearly helped, Steel & Tube continues to make positive gains across many parts of the business. The company continues to invest for the future, leveraging its strong balance sheet.

Key results for the full year to 30 June 2014 are:

\$17.9m

PROFIT AFTER TAX INCREASED TO \$17.9 MILLION, COMPARED WITH \$15.6 MILLION FOR THE PREVIOUS YEAR, AN INCREASE OF 14.7 PERCENT

\$58.7m

NET BORROWINGS INCREASED TO \$58.7 MILLION, REFLECTING THE ACQUISITION OF TATA STEEL INTERNATIONAL (NOW STEEL & TUBE STAINLESS) AND THE INCREASE IN INVENTORY AND DEBTORS ASSOCIATED WITH INCREASED REVENUE

\$441.4m

REVENUE INCREASED TO \$441.4 MILLION (INCLUDING \$12.9 MILLION FROM STEEL & TUBE STAINLESS), COMPARED WITH \$393.3 MILLION FOR THE PREVIOUS YEAR, AN INCREASE OF 12.2 PERCENT

\$12.3m

OPERATING CASH FLOW WAS \$12.3 MILLION

9c per share

A FINAL DIVIDEND OF 9C PER SHARE WAS DECLARED ON 15 AUGUST 2014



Detailed financial results and performance analysis can be found in the 2014 Shareholder Review, which is available for download from www.steelandtube.co.nz/investor/report/annual

Stainless Rebrand Now Complete

Steel & Tube has made some exciting changes since we acquired Tata Steel International (Australasia) in April.

Since Tata Steel International (Australasia) re-branded as Steel & Tube Stainless, we've been working hard to fully integrate the new business into the organisation and customers now have access to the full range of our products and services across the country.

The new name will now appear on all official documentation and the process to unify Tata Steel's eight former branches and fleet of vehicles to reflect Steel & Tube's branding is now complete.

The first round of updated product literature has also been released and we will continue to make new resources available in the coming months.

To make it easier for customers to access these resources, we have two dedicated websites to support our stainless business.

The first, stainless.steelandtube.co.nz, provides the same detailed technical support as the former Tata Steel range of stainless and engineering steel products and services. The second, www.comflor.co.nz, offers detailed technical information about the ComFlor range of composite steel floor decking systems.

Look out for the Steel & Tube logo on our re-branded sites, vehicles fleets and product brochures.



Tunnel Contributes To Landmark Memorial

Steel & Tube is proud to be involved in a major project to revitalise part of the country's heritage.

When Wellington's National War Memorial was built in 1932, it was visible from almost every part of the capital. Over time though, the memorial became isolated in a semi-industrial zone as the city grew up around it.

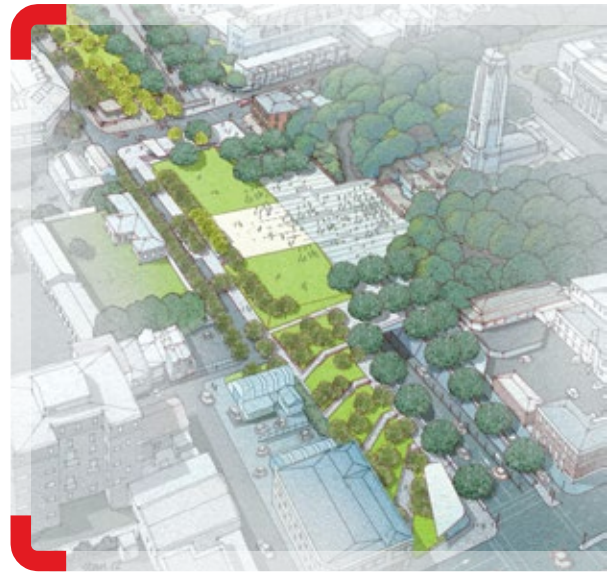
Now, as part of the Ministry of Culture and Heritage's 2015 World War One Centenary commemorations, work is underway to revive the site and create a National Memorial Precinct.

Steel & Tube's role in the project involved taking State Highway 1 below ground between Tory and Taranaki streets. We supplied 2,000 tonnes of reinforcing steel to construct the floor, walls and roof of the 300 metre long, 12 metre deep Buckle Street underpass.

The underpass, which opened to motorists as the Arras Tunnel in late September, unifies the memorial precinct by diverting traffic that used to separate Memorial Park and the National War Memorial.

"Steel & Tube products play a key role in projects that enhance and revitalise New Zealand's roading infrastructure, benefiting Kiwis all around the country," says Roger O'Neill, General Manager of Steel & Tube Processing. "We're particularly proud that our reinforcing steel is associated with the development of this poignant memorial park, which will create a special place in the hearts and minds of Wellingtonians for many years to come."

The National Memorial Precinct will open in time for Anzac Day celebrations in April 2015.



The Arras Tunnel diverts traffic to create a unified memorial precinct in Wellington City.

"Steel & Tube products play a key role in projects that enhance and revitalise New Zealand's roading infrastructure, benefiting Kiwis all around the country."

Steel & Tube Backs Affordable Housing

A New Zealand Housing Foundation project to help young Aucklanders into their own home has new support.

Steel & Tube has partnered with the Housing Foundation and building company eHOME to supply roofing products for 80 new homes in Auckland's first Special Housing Area at Waimahia Inlet in Weymouth.

The Housing Foundation is a not-for-profit, charitable trust that provides affordable home ownership to low-income households. The organisation has already completed several low-income residential developments in Auckland using its affordable equity model, which shares ownership of the house between the buyer and the Housing Foundation. The scheme, which also gives first-home buyers a leg-up with the deposit if they need it, sees young buyers initially paying rent, with payments gradually going towards paying off their mortgage.

"We are very excited to be partnering with eHOME and playing our part in the provision of affordable houses," says Mark Waterman, Steel & Tube's National Manager of Roofing.

"Our next step with eHOME is to pilot an innovative new reinforcing offer," he says.

The 16 hectare Waimahia Inlet development, which consists of 282 new homes, will be built over the next three years. Auckland Council has 80 similar Special Housing Area developments in the pipeline across the region.



Young prospective homeowners Lisa Myers (centre left) and Wirihana Takuira (centre right) visit sites at the Waimahia Inlet development with Prime Minister John Key (left) and Building and Housing Minister Nick Smith (right). Photo credit: Manukau Courier, James Ireland.

Leader In Health & Safety



As one of New Zealand's top-performing companies, Steel & Tube takes a leading role in Health & Safety practices.

Steel & Tube was invited to speak at the Employers and Manufacturers Association Business Central Conference in October. Alan Downes, Health, Safety and Environment Manager at Steel & Tube, presented a comprehensive case study on the implementation and ethos of iCare, Steel & Tube's Health & Safety programme.

The case study examined Steel & Tube's Killers and Life Savers, Stop & Take², Dig Deeper and Just Culture initiatives. The objective was to determine how these programmes contribute to the culture of Health & Safety that exists in our workplace and how it might be replicated elsewhere.

"You only have to look at our injury claims, they keep declining every year. No system is perfect, but we're making some great progress in keeping our people safe."

"We got great feedback from the conference," says Alan. Attendees commented on the great processes Steel & Tube has in place to positively affect culture and how the company is an excellent example of how to make a real difference in the workplace.

One gauge of that culture is the popularity of our annual staff Health & Safety Awards. More than 20 individual and team nominations were received this year.

Award nominees were flown to a prestigious prize-giving dinner in Wellington where they attended a presentation ceremony and received their awards. The event acknowledged each nomination as an outstanding contribution to the continuous improvement of Steel & Tube's Health & Safety practices.

Now in its third year, the popular awards recognise action, initiative and safe behaviours across seven categories, including employee safety, best workplace initiative, team safety development and leadership.

"You only have to look at our injury claims, they keep declining every year," says Alan. "No system is perfect, but we're making some great progress in keeping our people safe."



Recipients of the 2014 Steel & Tube Health & Safety Awards.

One Bridge Opens In Whangarei

Steel & Tube's influence on infrastructure projects is all around us, but a bridge in Whangarei takes it to the extreme.

The new Kotuitui Whitinga Bridge in Whangarei is constructed almost entirely from Steel & Tube products.

The 100 metre bridge over the Waiarohia Stream, which opened in September, is constructed using driven steel tube pile foundations, steel beam supports and masts, and stainless steel screens and handrails. A central steel platform swings sideways to provide a 10 metre access way for boats travelling on the river.

Almost a year in the making, the \$1.7 million bridge completes a 4.2 km loop walkway around the town basin. As well as providing a foot and cycle path across the stream, it also helps accentuate the waterway, which is often hidden from view because it runs under so many of the region's roads.

Steve Cowan, Steel & Tube's Distribution Manager in Whangarei, says the bridge embodies Steel & Tube's One Company philosophy.

"The Waiarohia Stream bridge was a great project to be involved with, and a prime example of the way our One Company approach can add value for our customers and our communities."



Whangarei's Kotuitui Whitinga Bridge is constructed almost entirely from Steel & Tube products.

"The Waiarohia Stream bridge was a great project to be involved with, and a prime example of the way our One Company approach can add value for our customers and our communities."

New Profile Marks Company Milestones

Steel & Tube's recently released corporate profile is both a nod to history and a declaration of intent.

The profile takes a look at Steel & Tube, our culture and the values that define our approach to everything we do. It explores One Company, Steel & Tube's operating model, and provides insight into our business practices, products and capabilities, and key project milestones.

Produced in limited volumes as a high-quality, large-format booklet, the profile serves two purposes – to mark an extraordinary 60 years in business and declare Steel & Tube's intention for the future. A special commemorative edition of the profile was printed and distributed to

some of our key customers at our 60th anniversary events in Auckland and Christchurch earlier in the year.

The business has transformed in the last five years and the 60th anniversary celebrations have been the ideal opportunity to showcase our new corporate culture.

An electronic version of the profile is an interesting read and can be downloaded from www.steelandtube.co.nz/investor/report/corporate-profile



A special commemorative edition of the corporate profile was produced for Steel & Tube's anniversary celebrations.

Turning Dreams Into Reality

A chance phone call from a 14-year-old boy led to a novel alliance for Steel & Tube.

"Jacob called out of the blue and told me he wanted to buy some steel to build a model monster truck," says Bevan Parish, Steel & Tube's Business Development Manager in Mount Maunganui. "We talked about his ideas and what he wanted to achieve for a while and I thought it sounded like a great project."

Unfortunately, all Steel & Tube's standard steel lengths were too long for Jacob's needs, so Bevan offered him some off-cuts that were small enough to suit the one-metre long truck that Jacob had in mind.

"He sounded so passionate and motivated to build this truck I wanted to meet him – so I delivered the goods in person," says Bevan. "It turns out Jacob has Asperger's and is home-schooled by his mum. He was dead-set on building his truck, so I told him Steel & Tube would be happy to get in behind him and provide any of the steel he needed for his project free of charge."

Jacob was very enthusiastic and motivated, so Bevan asked if he would like help bringing his plans together. Jacob agreed, so Bevan enlisted nearby Page Macrae Engineering

and LaserTek Profiles, who agreed to help bring Jacob's designs to life.

Engineers at Page Macrae asked Jacob to build a cardboard model of what he imagined his truck would look like when it was finished.

"It took him about a month to get it just the way he wanted it," says Bevan. "We recently met with the engineers and they are now in the process of drawing Jacob's model on CAD," he says.

The truck is still in the early stages, but Bevan says it's important that it remains Jacob's project.

"He's a bright lad who definitely has the drive to see it through, and Steel & Tube and our partners are all on board to help him out with the next step when he needs it."



Jacob visits Page Macrae Engineering to work on his monster truck design. From left, Bevan Parish (Steel & Tube), Jacob Sarsfield, Lisa Sarsfield (Jacob's mother), and Grant Holland (Page Macrae Engineering).

"He sounded so passionate and motivated to build this truck I wanted to meet him – so I delivered the goods in person."

Latest Scholarship Winner Revealed

Steel & Tube is pleased to announce that Breanna Carl is winner of the 2014 First Foundation tertiary scholarship.

The First Foundation selected Breanna from among four remarkable applicants, noting she most closely aligned to the selection criteria.

Daughter of an Auckland-based Steel & Tube

employee, Breanna is a Year 13 student at Sancta Maria College who intends to study nursing at AUT. She will be the first in her family to attend university.

The First Foundation is an educational trust that partners with individuals, businesses, schools and students to break down the financial barriers that prevent talented young New Zealanders from achieving their goals and aspirations.

Now in the second year of partnership with the First Foundation, Steel & Tube offers one scholarship each year to a Year 12 or 13 student who intends to undertake tertiary study, with priority given to families of Steel & Tube employees.

As a scholarship recipient, Breanna will receive financial support toward her tuition, paid work experience at Steel & Tube, personal mentoring from the First Foundation, and support and development opportunities as she transitions from school to university and the workforce.

Congratulations to Breanna and best wishes to all 2014 applicants for their future studies.

Steel & Tube Employee Wins Workmanship Award

Steel & Tube is pleased to announce that Jarrod Sadgrove, Manager of Major Projects, has been awarded the Pride of Workmanship Award by the Hutt Valley Rotary Club.

The award acknowledges an employee who, in the eyes of their employer, displays outstanding qualities in approach, attitude, dedication and commitment to their job.

"We are proud and delighted that Jarrod has been recognised in this way," says Roger O'Neill, General

Manager of Steel & Tube Processing. "Jarrod's unrelenting attention to detail ensures he delivers in a way that continually enriches the customer experience. He is committed, driven, motivated and dedicated to giving his best to every project he's involved in."

Jarrod recently helped secure a place for Steel & Tube in the landmark National Memorial Precinct project (see page 6 for more). As part of the alliance team responsible for the design and build phase of the project, Jarrod led Steel & Tube's contract negotiations and provided input into all aspects of the design and quality assurance.

We congratulate Jarrod for his outstanding work and remarkable achievement.



Jarrod Sadgrove, Steel & Tube's Manager of Major Projects.



MERRY CHRISTMAS

Christmas Hours

All Steel & Tube branches will close on **December 23rd 2014** at varying times for the statutory days. Some branches will reopen with reduced staffing levels between statutory days until **January 5th 2015** to provide essential services. All remaining sites will reopen on **January 12th 2015**.

Please contact your local Steel & Tube branch if you would like to discuss final ordering and to confirm their reopening dates.

On behalf of the entire Steel & Tube team, we would like to thank you for your business during 2014 and wish you and your families a happy and safe holiday season. We look forward to working with you again in the New Year.



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For specific locations and phone numbers, please visit our website.