STEEL & TUBE HOLDINGS LIMITED

ANNUAL REPORT 1995

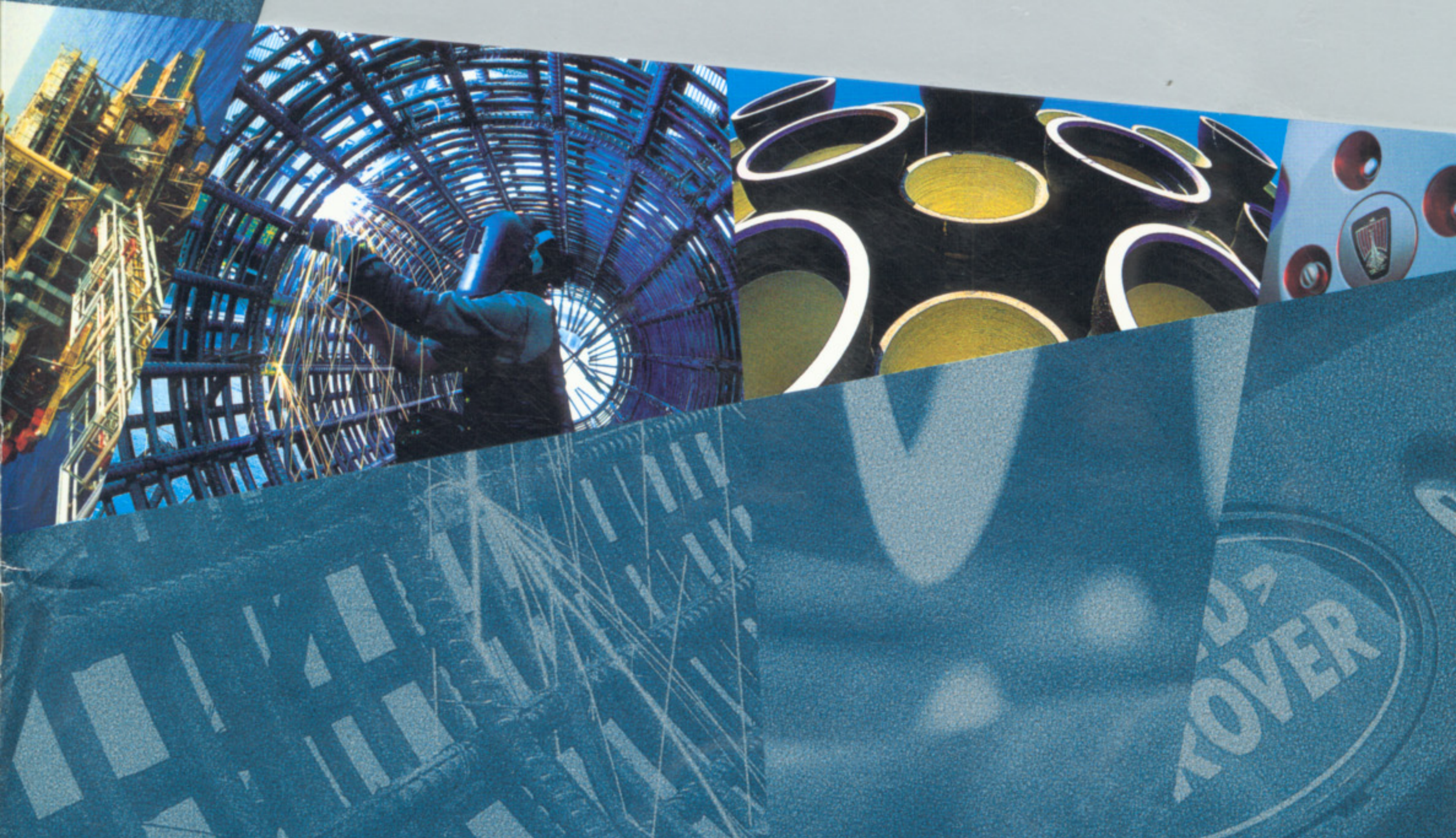
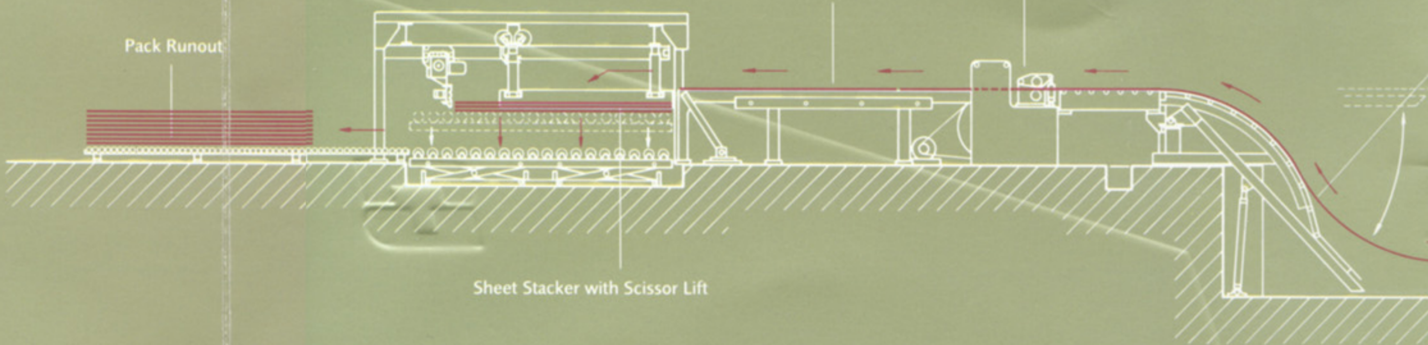


TABLE OF CONTENTS

Merchandising has continued to upgrade its coil processing equipment with the purchase of new cut-to-length line and slitting line machinery. These new systems combine the computer with a customized set of tooling, achieving greater precision and significant cost and productivity improvements.

2. The material is sent through a holding pit prior to being fed through the shear which cuts the material to the desired length.

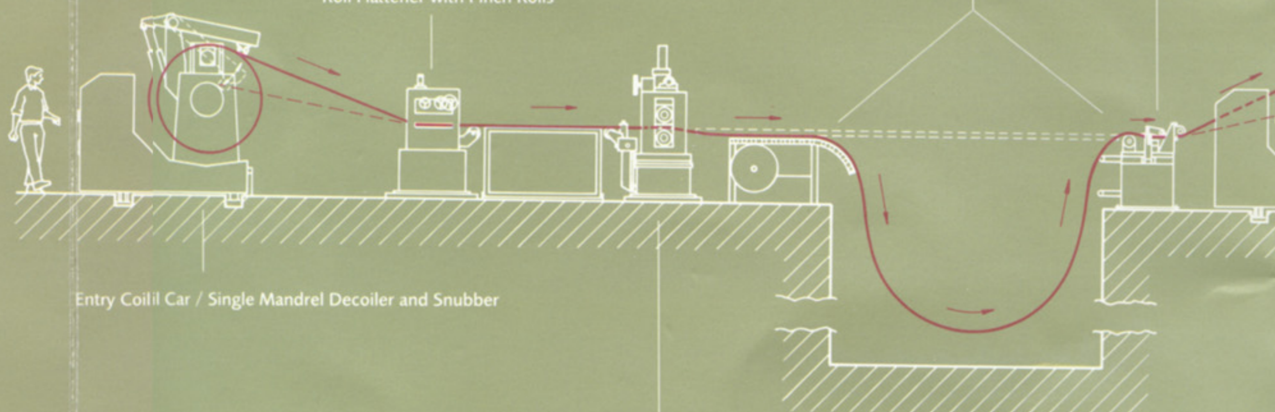
3. The sheared sheet is then collected and despatched.



SLITTING LINE

The purpose of the slitting line is to take coils of material at the start of the line, uncoil, slit the material to the desired size, then recoil at the end of the line.

2. The 5 roll Flattener removes any coil 'set' prior to slitting, afterwhich it is cut into continuous strips.

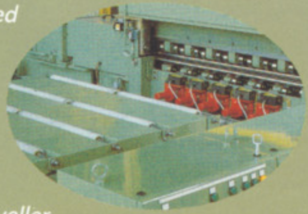


1. A 10 tonne decoiler receives the coil and supports the material during the slitting process.

Slitter & Side Guide Unit / Shimless Tooling

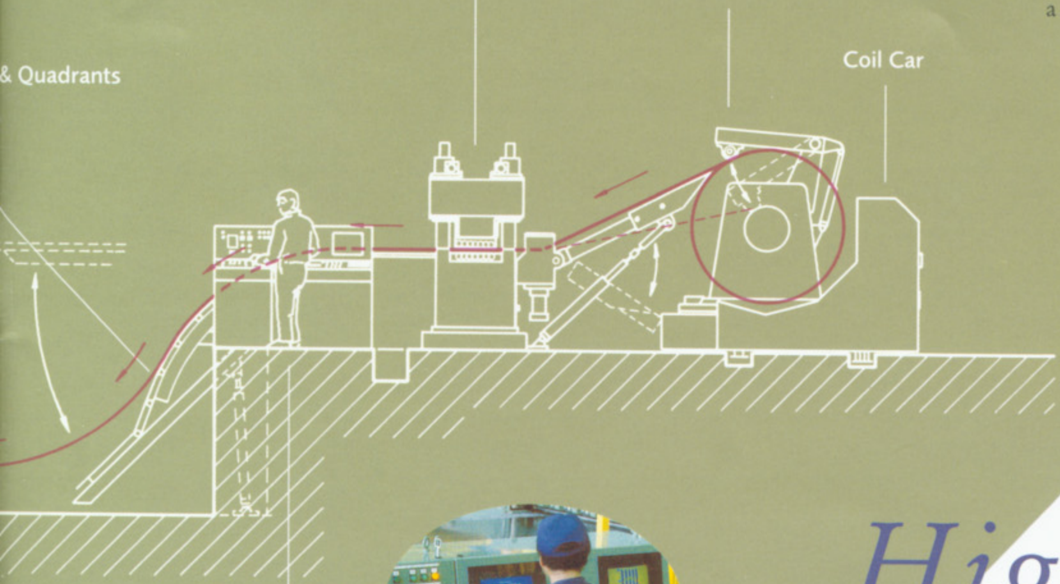
3. The material then slides over the quadrant and into the looping pit (which accommodates the varying lengths of each loop caused by the inconsistency of the original coil thickness) before being fed to the recoiler to become a tightly wound coil.

1. A 15 tonne uncoiler is situated at the start of the line. The coil is fed down the line guided by the peeler and pinch rolls and flattened to the desired tolerance by a leveller.

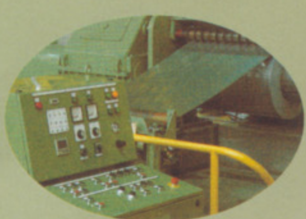


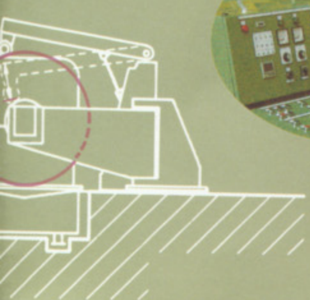
CUT-TO-LENGTH LINE

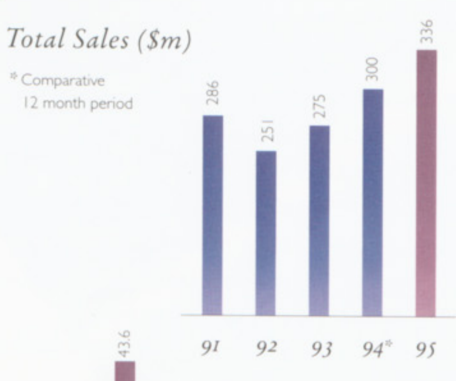
The cut-to-length line is designed to uncoil, level, shear and stack material up to 3.25mm thick and 1500mm wide. This can be performed to an accuracy of +/- 0.2mm over a sheet length of 1000mm.

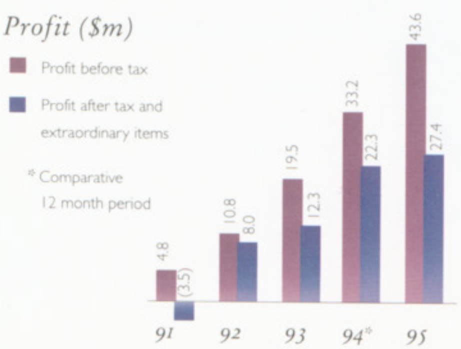


All production is electronically controlled to ensure the optimum tension and speed is obtained. This feature offers the ability to have consistent results for repeat jobs, once loaded into the system.









Highlights

OF THE YEAR

RECORD PROFIT: Net profit after tax of $27.4 million.

DIVIDENDS: A final dividend of 20 cents per ordinary share recommended bringing total payment over 12 month period to 40 cents per share, an effective 25% increase from 1994.

INCREASE IN SALES: A 12% increase in sales from $299.8 million to $335.7 million.

CUSTOMER SERVICE: Robt Stone achieved certification to ISO 9001 and Merchandising Division achieved certification to ISO 9002.

EXPORT OPPORTUNITIES: Further development of export opportunities in South East Asia.

ACHIEVEMENTS: One of three finalists in the Company of the Year Awards. Robt Stone presented with Export Achievement Award.

BOARD OF DIRECTORS

MR BMJ DINEEN

Appointed a Director in 1994, Mr Dineen was formerly Chairman and Managing Director of the Shell Companies in New Zealand. He is currently a Director of the National Bank of New Zealand Limited, the New Zealand Meat Producers Board, The Todd Corporation, New Zealand Wool Testing Authority Limited, Petroleum New Zealand Limited and Rangatira Limited and is also a trustee of the Business and Parliamentary Trust.

MR KT COCKS

Appointed Chairman in 1989 and a Director since 1987. Prior to his retirement in February 1992, Mr Cocks was an Executive Director of Tubemakers of Australia Limited and several of its associate companies.

MR AC CANDY

Appointed Company Secretary in February 1992, Mr Candy joined the Company as Financial Controller of the Merchandising Division in 1988.

MR AB DANIELS

A Director since 1985, Mr Daniels is Managing Director of Tubemakers of Australia Limited and a Director of several of its associated and subsidiary companies. He is Chairman of JAS-ANZ, the joint accreditation system of Australia and New Zealand and is a member of the Business Council of Australia and the Trade Policy Advisory Council.

MR N CALAVRIAS

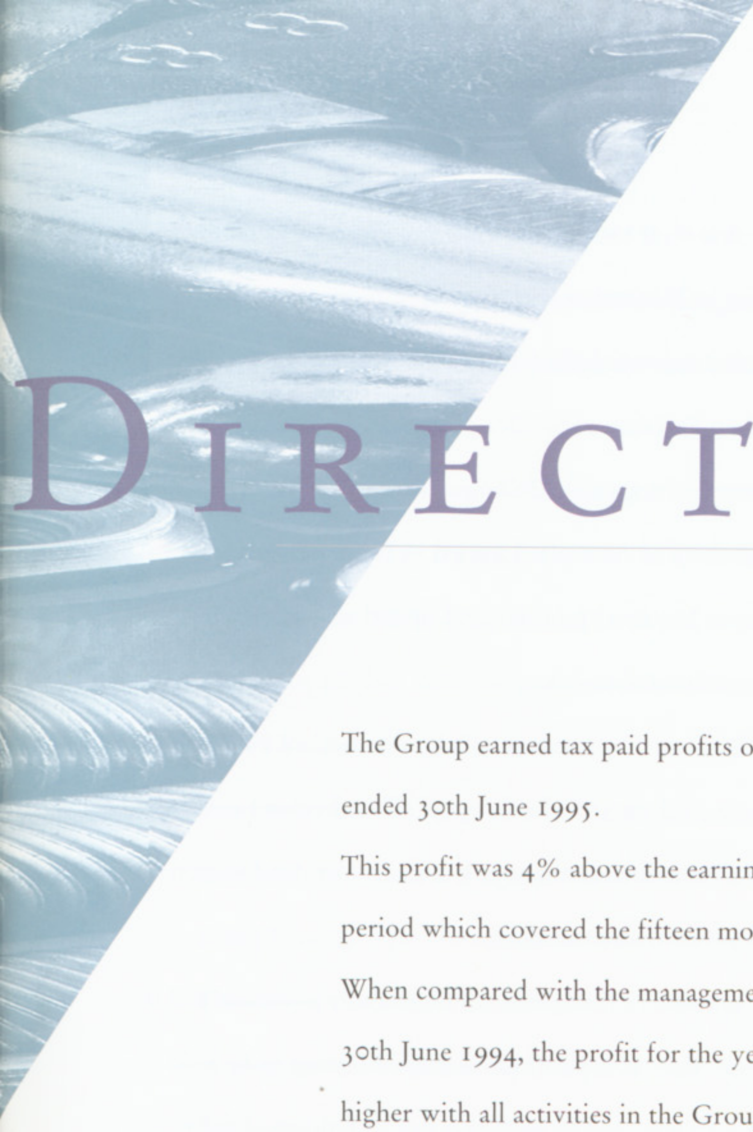
In September 1990 Mr Calavrias was appointed an Executive Director following the acquisition of the Acorn Pacific Corporation Group of which he was Managing Director. He was appointed Chief Executive Officer of the Group from 1 July 1991 and is a member of the New Zealand Business Roundtable.

DR RL EVERY

Dr Every was appointed to the Board from Tubemakers of Australia Limited as an Executive Director in 1988. A metallurgist by profession, his experience with Tubemakers has been mainly in steel merchandising. He was Chief Executive Officer of Steel & Tube Holdings Limited from 1 August 1989 until 30 June 1991. In July 1991 he returned to Australia and is now Group General Manager Merchandising with Tubemakers of Australia Limited. Dr Every continues as a non-executive Director.

MR AS PATERSON

Appointed a Director in 1975, Mr Paterson is Chairman of PowerBuy Group Limited and a Director of Rangatira Limited, New Zealand Petroleum Limited, Nelson Fisheries Limited, Tru-Test Corporation Limited and Danaflex Packaging Corporation Limited.



DIRECTORS' REPORT

The Group earned tax paid profits of $27.4 million for the twelve months ended 30th June 1995.

This profit was 4% above the earnings of $26.4 million in the last reporting period which covered the fifteen months to 30th June 1994.

When compared with the management accounts for the twelve months to 30th June 1994, the profit for the year ended 30th June 1995 was 23% higher with all activities in the Group producing improved profits.

Sales increased by 12% from $299.8 million to $335.7 million.

As previously announced, the Group sold its 50% interest in Motorcorp Holdings Limited on 28th June 1995, so a full year's result was included for 1994/95. The Group no longer has any business in the automotive industry.

A net gain of $0.9 million from abnormal items was included in the 1994/95 result compared with a profit of $0.8 million in the fifteen months to 30th June 1994.

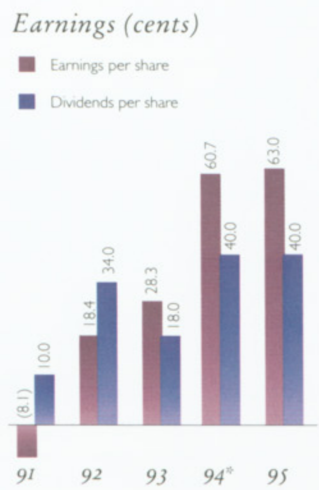
The continued strong growth of the economy and the Group's investment in service centres and processing equipment enabled the Steel Merchandising operations to achieve record profits.

Recovery of the building and construction sectors during the year also benefited the Reinforcing and Engineering operations considerably.

Increased consumer demand for the new model Land Rover and Jaguar vehicles released during the year and favourable exchange rates supported Motorcorp Holdings Limited results.

ACQUISITIONS AND DIVESTMENTS The acquisition of Longrun Industries in November with branches in Auckland and Hamilton has further enhanced the Group's involvement in the metal roofing and cladding industry.

John Stansfield-Smith, the special steels operation based in Melbourne was sold to Tubemakers of Australia Limited in November and the 50% shareholding in Motorcorp Holdings Limited was sold to Eurotrans Holdings Limited in June.



* Comparative 15 month period for EPS & DPS

DIVIDENDS The Directors declared an interim dividend of 20 cents per share which was paid on 3rd March 1995. This dividend carried full imputation credits as well as the supplementary dividend to non resident portfolio investor shareholders.

The Directors recommend a final dividend of 20 cents per share and if approved by shareholders at the Annual General Meeting to be held on the 25th October 1995, will be paid that day to holders of fully paid ordinary shares registered at 6th October 1995. This dividend will carry full imputation credits and a supplementary dividend of 3.53 cents to non resident portfolio investor shareholders.

FINANCIAL POSITION At year end the shareholders' funds stood at $105.9 million which represents 66% of total assets.

The only change in issued capital during the year was that calls were made on 67,000 shares issued under the Senior Executives' Share Scheme 1993 increasing the paid up capital by $33,000.

PERSONNEL The number of employees has reduced from 769 to 648. This is the net result after the sale and purchase of the various businesses during the year and movements in the contractual requirements of Robt Stone.

Health and safety play an important part in the Group's business philosophy. Resources are provided to train properly all employees for their tasks while safety procedures and statistics are kept under constant review by Safety Committees, Management and the Board. The Directors wish to acknowledge the staff's skills and dedication in achieving certification to ISO 9001 and ISO 9002 and their ongoing commitment to the Group's Continuous Improvement Programme.

RE-ELECTION OF DIRECTORS In accordance with the Articles of Association Mr K T Cocks and Dr R L Every retire by rotation and, being eligible, offer themselves for re-election to the Board.

COMMITTEES OF THE BOARD The Board of Directors for many years has had an established Audit Committee. Its current members are Messrs K T Cocks (Chairman), A S Paterson and B M J Dineen. This committee met twice during the year.

The role of the Audit Committee is to assist the Board in carrying out its responsibilities under the Companies Act 1955 and the Financial Reporting Act 1993, regarding management's accounting practices, policies and controls relative to the Group's financial position and to review and make appropriate inquiry into the audit of the financial statements.

Debt: Equity ($m)

* Comparative 15 month period

DIRECTORS' SHAREHOLDINGS

	As at 30th June 1995	*As at 30th June 1994*
K T Cocks	5,000	5,000
*N Calavrias	225,000	225,000
A B Daniels	1,000	1,000
B M J Dineen	2,000	-
Dr R L Every	1,000	1,000
A S Paterson	5,000	5,000

*Mr N Calavrias also holds 80,000 shares under the Senior Executives' Share Scheme 1993, paid to one cent per share.

On 20 September 1994 Mr B M J Dineen acquired 2,000 ordinary shares in the Company for a consideration of $12,850.

INTERESTED TRANSACTIONS The Directors have disclosed the following transactions with the Group.

All transactions conducted by the Group with Tubemakers of Australia Limited are interested transactions. Details of these are given in Note 19 to the financial statements; Related Party Disclosures. Otherwise there was the purchase of shares by Mr B M J Dineen.

REMUNERATION OF DIRECTORS Total remuneration and benefits received, or due and receivable at 30th June 1995 were:

	$000's
K T Cocks	42
N Calavrias	356
A B Daniels	21
B M J Dineen	23
Dr R L Every	21
A S Paterson	23

REMUNERATION OF EXECUTIVES Total remuneration and benefits received, or due and receivable at 30th June 1995 were within the following bands:

$110,000 - $119,000	1
$120,000 - $129,000	2
$130,000 - $139,000	2
$160,000 - $169,000	1
$350,000 - $360,000	1

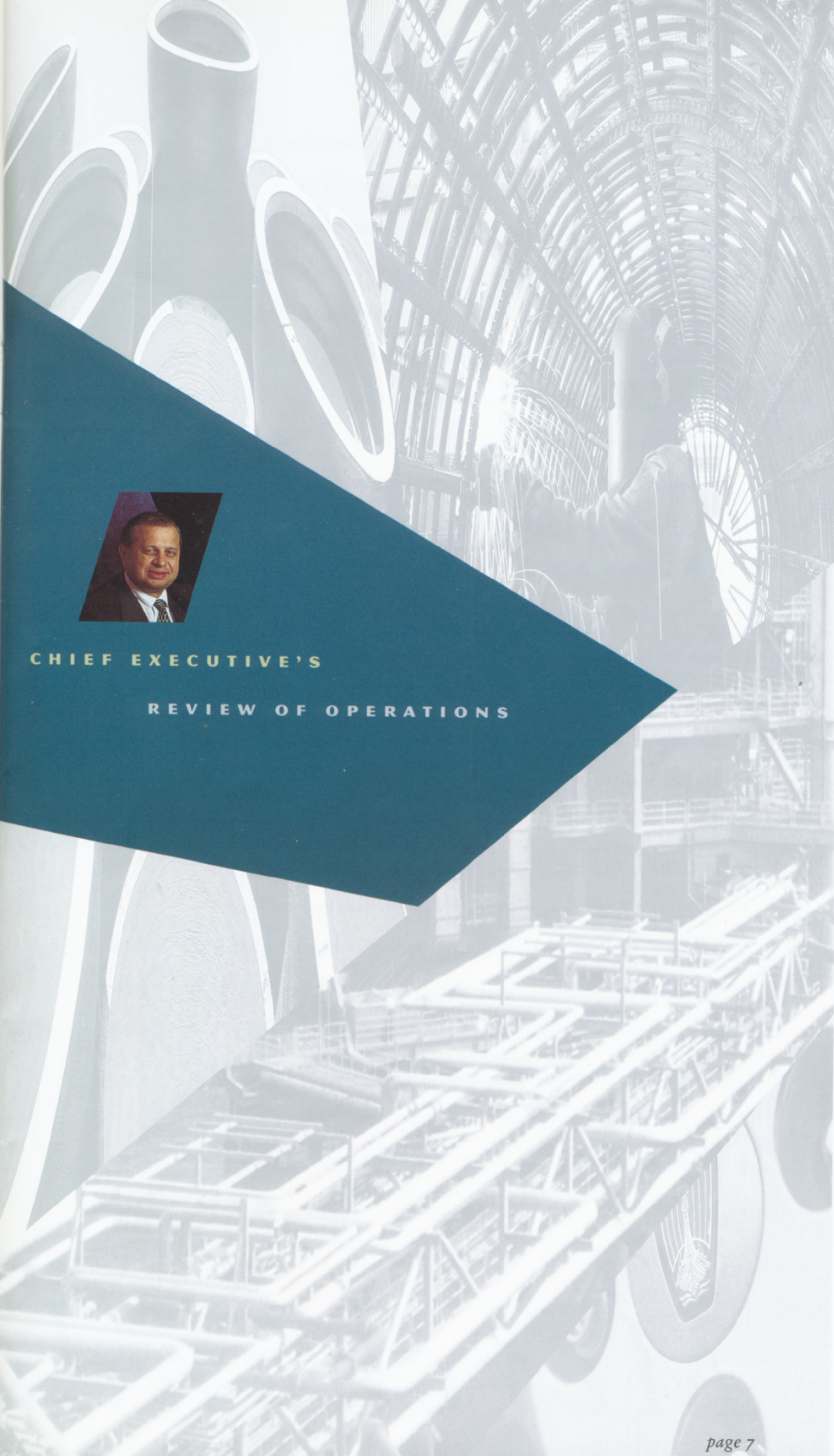
All the above executives are entitled to participate in the Senior Executives' Share Scheme 1993.

AUDITORS In accordance with Section 163 of the Companies Act 1955, the Auditors, Coopers & Lybrand, continue in office

For the Directors

MR KT COCKS, Chairman of Directors

MR N CALAVRIAS, Chief Executive Officer



CHIEF EXECUTIVE'S REVIEW OF OPERATIONS

The general growth in economic activity and the contribution from the Steel Service Centre facilities installed in recent years were features which enabled the

1. 

Merchandising businesses to achieve record profits. Large projects such as the Auckland Casino, Museum of New Zealand, the Waterfront Development in Wellington and the Tiwai Point Comalco Aluminium expansion, coupled with the strong demand in the manufacturing and farming sectors all contributed.

The Plasma Cutter that was illustrated in last year's Annual Report led to valuable on-going contracts associated with the building of the ANZAC frigates.

As part of the modernisation plan begun in 1992, premises in Hamilton and Nelson were upgraded, whilst Timaru and Aitchison Black Fasteners Christchurch moved into new leased premises.

In September the operations of Wellington Steel were merged with Steel & Tube Petone branch resulting in better utilisation of assets.

The Melbourne based special steels distributor John Stansfield-Smith was sold to Tubemakers of Australia Limited in November. In the same month involvement in the metal roofing and cladding industry was expanded by purchasing the assets of Longrun Industries Limited with branches in Auckland and Hamilton. 2.

The Group adopted the name Longrun Industries for all its roofing and cladding operations and accordingly changed the name of G W Taylor Industries in January.

The special fastenings operations trading as Wellington Fasteners, Aitchison Black Fasteners and Nuts & Bolts & Screws Dunedin are now all trading as Fastening Supplies, the same name that is used by the Auckland Branch.

A highlight of the year was that the Merchandising Division achieved certification to ISO 9002.

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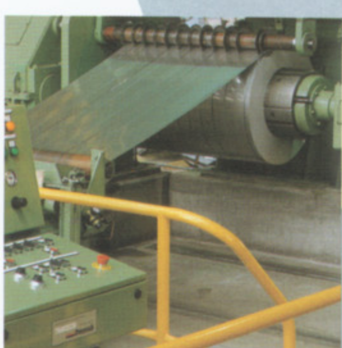

1. Longrun Industries manufactured and supplied the 6500 sq. metres of metal cladding required for the Crown Movers Building in Albany, Auckland.

2. Part of the 4 km of Ductile Iron Pipe manufactured by Tubemakers of Australia Limited for the Dunedin City Council.

3. Steel Coil being processed on the new Cut-to-Length Line at the Steel Service Centre in Auckland.

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REINFORCING

Reinforcing once again benefited from the strong recovery of the building and construction sectors that was evident throughout the country.

The supply of steel reinforcing to a number of large contracts during the year, including the Auckland Casino and Palmerston North Library and also to car park buildings and apartment blocks in Wellington and Auckland, led to better utilisation of its resources and enhanced profitability.

Contracts on hand to commence the new financial year would indicate that the operations will continue to perform strongly.

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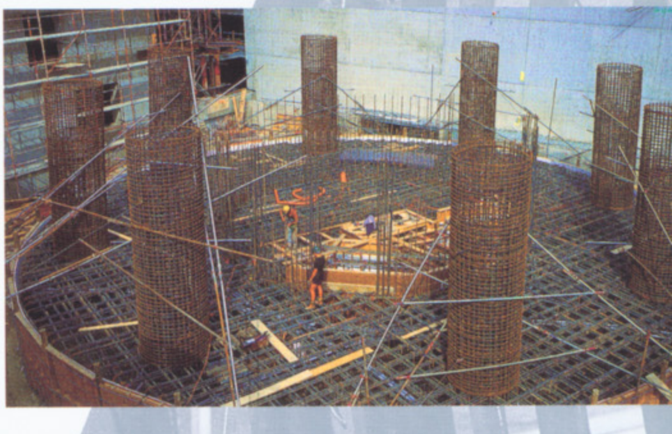


1. Part of the 200 tonne of reinforcing steel supplied for the base of the Auckland Casino Project by CP Reinforcing.

2. Welding one of the reinforcing columns for the Auckland Casino prior to it being installed on site. Each measures 1.8 metres in diameter and weighs 4.5 tonne.

1.

The year under review began positively with large contracts for the New Zealand Refinery in Whangarei and Methanex in Taranaki. These contracts helped the Engineering Operations to post increased profits.

Robt Stone's success in expanding its geographic base to obtain more consistent work in one of its main areas of expertise materialised with the completion of the Guntong D Offshore Oil and Gas Platform Joint Venture Contract in Malaysia. This Contract earned an Export Commendation Award which was presented by the Prime Minister, the Rt Hon James Bolger.

A further contract has since been obtained with the Malaysian partners, Saga Dialog SDN BHD which relates to a slug waste facility.

Robt Stone gained certification during the year for ISO 9001.

2.

3.

Robt Stone &

1. The Distillation III Project completed by Robt Stone showing the structural steel and mechanical plant in the main process area of the Methanex Plant at New Plymouth.

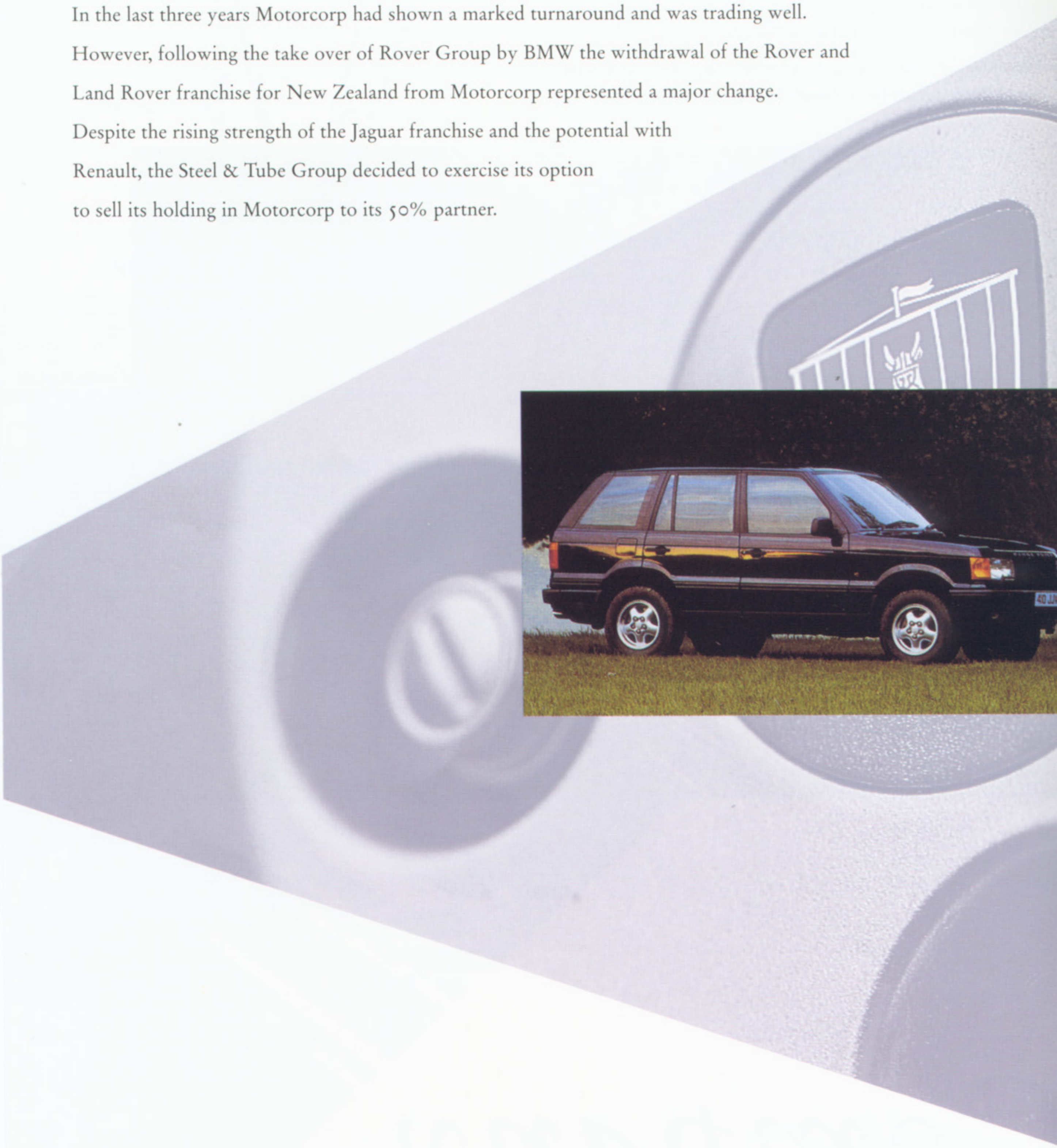
2. The pipe work section completed by the Malaysian Joint Venture situated 200 km from shore in the South China Sea connecting the Gas Compression Platform to the Guntong D Oil Production Platform.

3. Presentation of Export Award by the Prime Minister, the Rt Hon JB Bolger to Robt Stone, represented by its General Manager, Russell Donaldson.

Company

MOTORCO

Increased demand for the new model Land Rover and Jaguar vehicles released midway through the year combined with favourable exchange rates enabled Motorcorp Holdings Limited to post increased profits. This greater volume also benefited the Parts and Service Divisions. In the last three years Motorcorp had shown a marked turnaround and was trading well. However, following the take over of Rover Group by BMW the withdrawal of the Rover and Land Rover franchise for New Zealand from Motorcorp represented a major change. Despite the rising strength of the Jaguar franchise and the potential with Renault, the Steel & Tube Group decided to exercise its option to sell its holding in Motorcorp to its 50% partner.



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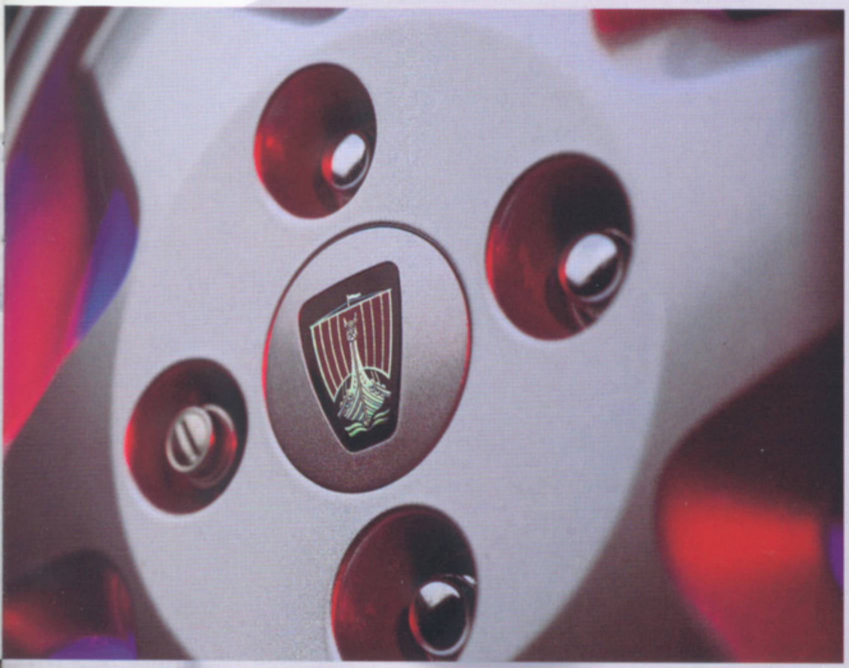

The Rover emblem along with the latest Range Rover HFE 4.6 and XJ Series Jaguar.

Financial

STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

of Steel & Tube Holdings Limited and its subsidiaries for the twelve months ended 30 June 1995

	Notes	1995 12 months $000s	1994 15 months $000s
SALES	3	335,744	367,325
Profit before tax	4	43,598	39,319
Less Tax	5	14,629	11,771
Profit after tax		28,969	27,548
Minority interests share of profit		1,541	1,179
PROFIT AFTER TAX			
ATTRIBUTABLE TO SHAREHOLDERS		27,428	26,369
Retained Profits at beginning of period		27,722	18,704
		55,150	45,073
Dividends	7	(17,397)	(17,375)
		37,753	27,698
Transfer from revaluation of asset reserves	10	-	24
RETAINED PROFITS AT END OF PERIOD		$37,753	$27,722

This statement is to be read in conjunction with the notes on pages 24 to 35 and the Audit Report on page 36

STATEMENT OF PROFIT AND LOSS

of Steel & Tube Holdings Limited for the twelve months ended 30 June 1995

	Notes	1995 12 months $000s	1994 15 months $000s
SALES	3	282,764	309,004
Profit before tax	4	37,480	33,241
Less Tax	5	12,607	10,001
PROFIT AFTER TAX			
ATTRIBUTABLE TO SHAREHOLDERS		24,873	23,240
Retained Profits at beginning of period		24,335	18,446
		49,208	41,686
Dividends	7	(17,397)	(17,375)
		31,811	24,311
Transfer from revaluation of asset reserves	10	-	24
RETAINED PROFITS AT END OF PERIOD		$31,811	$24,335

This statement is to be read in conjunction with the notes on pages 24 to 35 and the Audit Report on page 36

CONSOLIDATED BALANCE SHEET

of Steel & Tube Holdings Limited and its subsidiaries as at 30 June 1995

	Notes	1995 $000s	1994 $000s
SHAREHOLDERS' FUNDS			
Issued and Paid Up Capital	9	**21,758**	21,725
Capital reserves	10	**46,405**	46,084
Retained profits		**37,753**	27,722
		105,916	95,531
MINORITY INTERESTS		**-**	2,394
TERM LIABILITIES		**-**	10,000
CURRENT LIABILITIES			
Bank overdrafts		**918**	587
Accounts payable	12	**20,279**	26,171
Restructuring Provision		**1,243**	1,340
Bills payable	13	**22,400**	20,694
Proposed dividend	7	**8,702**	6,516
Provision for tax		**-**	121
		53,542	55,429
		$159,458	$163,354
NON CURRENT ASSETS			
Fixed assets	14	**37,985**	38,913
Long term receivable		**2,500**	-
		40,485	38,913
INVESTMENTS		**621**	274
GOODWILL		**7,556**	8,112
DEFERRED TAX	6	**2,111**	2,204
CURRENT ASSETS			
Cash in bank		**1,213**	3,493
Short term deposits		**-**	3,850
Accounts receivable and prepayments	15	**48,815**	49,090
Inventory and work in progress	16	**57,068**	57,418
Tax refund due		**1,589**	-
		108,685	113,851
		$159,458	$163,354

For the Directors

Dated 23 August 1995

MR KT COCKS, *Chairman of Directors*

MR N CALAVRIAS, *Chief Executive Officer*

This statement is to be read in conjunction with the notes on pages 24 to 35 and the Audit Report on page 36

BALANCE SHEET

of Steel & Tube Holdings Limited as at 30 June 1995

	Notes	1995 $000s	1994 $000s
SHAREHOLDERS' FUNDS			
Issued and Paid Up Capital	9	21,758	21,725
Capital reserves	10	52,347	49,471
Retained profits		31,811	24,335
		105,916	95,531
TERM LOANS FROM SUBSIDIARIES		135,898	173,343
TERM LIABILITIES		-	10,000
CURRENT LIABILITIES			
Bank overdrafts		918	587
Accounts payable	12	20,279	18,677
Restructuring Provision		807	-
Bills payable	13	22,400	16,000
Due to subsidiaries		464	2,396
Proposed dividend	7	8,702	6,516
		53,570	44,176
		$295,384	$323,050
NON CURRENT ASSETS	14	15,574	11,416
INVESTMENTS			
Shares in subsidiaries		164,378	158,167
Advances to subsidiaries		802	51,674
Other investments		621	274
		165,801	210,115
DEFERRED TAX	6	1,997	1,653
GOODWILL		3,245	2,545
CURRENT ASSETS			
Cash in bank		1,212	3,056
Short term deposits		-	3,850
Accounts receivable and prepayments	15	48,235	42,500
Inventory and work in progress	16	57,068	44,478
Due from subsidiaries		-	2,024
Tax refund due		2,252	1,413
		108,767	97,321
		$295,384	$323,050

For the Directors

Dated 23 August 1995

MR KT COCKS, *Chairman of Directors*

MR N CALAVRIAS, *Chief Executive Officer*

This statement is to be read in conjunction with the notes on pages 24 to 35 and the Audit Report on page 36

CONSOLIDATED STATEMENT OF CASH FLOWS

of Steel & Tube Holdings Limited and its subsidiaries for the twelve months ended 30 June 1995

	1995 12 months $000s	1995 12 months $000s	1994 15 months $000s	1994 15 months $000s
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash was provided from:				
Receipts from customers	331,876		366,769	
Interest received	362		534	
	332,238		367,303	
Cash was disbursed to:				
Payments to suppliers and employees	(299,560)		(330,307)	
Taxes paid	(15,355)		(11,810)	
Interest paid on debt	(2,651)		(2,891)	
Restructuring costs	(904)		(778)	
Net GST received/(paid)	116		(706)	
	(318,354)		(346,492)	
Net cash flow from operating activities		13,884		20,811
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash was provided from:				
Proceeds from sale of subsidiaries	7,573		-	
Proceeds from sale of other assets	2,671		15,585	
	10,244		15,585	
Cash was applied to:				
Purchase of fixed assets	(8,180)		(9,440)	
Purchase of investment	(347)		(274)	
Acquisitions	(2,557)		-	
	(11,084)		(9,714)	
Net cash flow (to)/from investing activities		(840)		5,871
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash was provided from:				
Proceeds from call on shares	164		75	
	164		75	
Cash was applied to:				
Settlement of short term liabilities	(4,294)		(4,479)	
Payment of dividends	(15,375)		(15,201)	
Repayment of capital to shareholders	-		(26,055)	
	(19,669)		(45,735)	
Net cash flow relating to financing activities:		(19,505)		(45,660)
Net decrease in cash held		(6,461)		(18,978)
Opening cash brought forward		6,756		25,734
Closing cash carried forward		$295		$ 6,756
Cash is comprised of:				
Cash in bank		1,213		3,493
Bank overdraft		(918)		(587)
Short term deposits		-		3,850
		$295		$6,756

RECONCILIATION OF NET PROFIT AFTER TAX TO CASH FLOW FROM OPERATING ACTIVITIES

of Steel & Tube Holdings Limited and its subsidiaries for the twelve months ended 30 June 1995

	1995 12 months $000s	1994 15 months $000s
Profit after tax	**28,969**	27,548
Add/(less) items classified as Investing or		
Financing activities:		
Net gain on sale of subsidiaries	**(1,475)**	-
Net loss on sale of fixed assets	**233**	50
Net gain on sale of other non current assets	**-**	(782)
	(1,242)	(732)
Add/(less) non cash items:		
Depreciation	**3,575**	4,205
Capital profit on debt defeasement	**(43)**	(106)
Amortisation of goodwill	**1,484**	1,763
Increase in deferred tax	**(25)**	(453)
	4,991	5,409
Add/(less) movements in working capital items:		
Decrease in income tax payable	**(1,501)**	(2)
Increase in accounts receivable and prepayments	**(4,631)**	(3,989)
Increase/(decrease) in accounts payable and provisions	**5,615**	(3,145)
Increase in inventories	**(18,119)**	(4,778)
Movements in working capital classified as		
investing or financing activities	**(198)**	500
	(18,834)	(11,414)
Net cash flow from Operating activities	**$13,884**	$20,811

This statement is to be read in conjunction with the notes on pages 24 to 35 and the Audit Report on page 36

of Steel & Tube Holdings Limited and its subsidiaries for the twelve months ended 30 June 1995

	1995 12 months		1994 15 months	
	$000s	$000s	$000s	$000s
SUMMARY OF THE EFFECTS OF ACQUISITION OF BUSINESS ASSETS				
Total cash paid for acquisitions		2,557		-
Net assets acquired:				
Fixed assets	570		-	
Stock	887		-	
		1,457		-
Goodwill on acquisition		1,100		-
SUMMARY OF THE EFFECTS OF DISPOSAL OF SUBSIDIARIES				
Total cash received for disposals		7,573		-
Fixed assets	3,921		-	
Accounts receivable and prepayments	4,905		-	
Inventories	18,469		-	
Other assets	1,008		-	
Term liabilities	(2,500)		-	
Accounts payable and provisions	(11,770)		-	
Bills payable	(4,000)		-	
Minority interests	(3,935)		-	
		6,098		-
Gain on disposal of subsidiaries		1,475		-

STATEMENT OF CASH FLOWS

of Steel & Tube Holdings Limited for the twelve months ended 30 June 1995

	1995 12 months $000s	1995 12 months $000s	1994 15 months $000s	1994 15 months $000s
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash was provided from:				
Receipts from customers	**278,802**		307,891	
Interest received	**671**		855	
	279,473		308,746	
Cash was disbursed to:				
Payments to suppliers and employees	**(248,063)**		(273,805)	
Taxes paid	**(13,908)**		(11,810)	
Interest paid on debt	**(2,294)**		(2,436)	
Restructuring costs	**(904)**		(778)	
Net GST paid	**(455)**		(446)	
	(265,624)		(289,275)	
Net cash flow from operating activities		**13,849**		19,471
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash was provided from:				
Proceeds from sale of subsidiaries	**7,573**		-	
Proceeds from sale of other assets	**1,006**		15,029	
	8,579		15,029	
Cash was applied to:				
Purchase of fixed assets	**(6,738)**		(5,976)	
Purchase of investment	**(347)**		(274)	
Acquisitions	**(2,557)**		-	
	(9,642)		(6,250)	
Net cash flow (to)/from investing activities		**(1,063)**		8,779
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash was provided from:				
Proceeds from call on shares	**164**		75	
	164		75	
Cash was applied to:				
Settlement of short term liabilities	**(3,600)**		(5,600)	
Payment of dividends	**(15,375)**		(15,201)	
Repayment of capital to shareholders	**-**		(26,055)	
	(18,975)		(46,856)	
Net cash flow relating to financing activities:		**(18,811)**		(46,781)
Net decrease in cash held		**(6,025)**		(18,531)
Opening cash brought forward		**6,319**		24,850
Closing cash carried forward		**$ 294**		$ 6,319
Cash is comprised of:				
Cash in bank		**1,212**		3,056
Bank overdraft		**(918)**		(587)
Short term deposits		**-**		3,850
		$ 294		$ 6,319

RECONCILIATION OF NET PROFIT AFTER TAX TO CASH FLOW FROM OPERATING ACTIVITIES

of Steel & Tube Holdings Limited for the twelve months ended 30 June 1995

	1995 12 months $000s	1994 15 months $000s
Profit after tax	**24,873**	23,240
Add/(less) items classified as Investing or Financing activities:		
Net gain on sale of subsidiaries	**(1,475)**	-
Net (gain)/loss on sale of fixed assets	**(92)**	68
	(1,567)	68
Add/(less) non cash items:		
Depreciation	**2,958**	3,379
Capital profit on debt defeasement	**(43)**	(106)
Amortisation of goodwill	**400**	409
Increase in deferred tax	**(344)**	(57)
	2,971	3,625
Add/(less) movements in working capital items:		
Decrease in income tax payable	**(839)**	(360)
Increase in accounts receivable and prepayments	**(3,711)**	(3,658)
Increase/(decrease) in accounts payable and provisions	**4,023**	(482)
Increase in inventories	**(11,703)**	(2,962)
Movements in working capital classified as investing or financing activities	**(198)**	-
	(12,428)	(7,462)
Net cash flow from Operating activities	**$13,849**	$19,471

This statement is to be read in conjunction with the notes on pages 24 to 35 and the Audit Report on page 36

1. STATEMENT OF ACCOUNTING POLICIES

These financial statements are presented in accordance with the Companies Act 1955 and have been prepared in accordance with the Financial Reporting Act 1993. The Parent Company's financial statements are for Steel & Tube Holdings Limited as a separate entity and the consolidated financial statements are for the Steel & Tube Holdings Group which includes all its subsidiaries.

GENERAL ACCOUNTING POLICIES

The general accounting policies recognised as appropriate in the preparation of these financial statements are:
The measurement base adopted is that of historic cost except that land, buildings and investments have been revalued.

The following particular accounting policies which materially affect the financial position have been applied and are unchanged from last year.

(A) SALES

Sales shown in the Profit and Loss account comprise the amounts received and receivable by the Group for goods and services supplied to customers in the ordinary course of business. Sales are stated exclusive of Goods and Services Tax collected from customers.

(B) BASIS OF CONSOLIDATION

The consolidated financial statements are prepared from the accounts of the Parent Company and its subsidiaries as at 30 June 1995. The purchase method is applied for the purpose of consolidation and all significant intercompany transactions are eliminated on consolidation. The revaluation of assets reserve in the Parent Company reflects the increase in its share of the subsidiaries' shareholders' funds since acquisition.

(C) GOODWILL

The excess of the cost of shares in subsidiary companies over the fair value of net assets acquired is capitalised. Provided that the Directors are satisfied as to the continuing value of the goodwill to the Group it is carried forward and amortised over a period of ten years. These matters are reviewed by the Directors annually.

(D) NON CURRENT ASSETS

Fixed Assets

The cost of purchased fixed assets is the value of the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended use.

Land and buildings have been previously revalued to 90% of market value as certified by independent registered valuers or in particular circumstances, at a lesser value considered to be appropriate by the Directors. All land and buildings were last revalued at 31 March 1991.

Land and buildings will continue to be carried in the balance sheet at the gross carrying amount determined by revaluation in March 1991 with subsequent additions at cost less total depreciation charged on buildings to date. Plant and other assets are recorded at cost less accumulated depreciation.

Other Non Current Assets

Land and buildings held for sale are recorded in the financial statements at their carrying amount at the date the properties were identified as available for sale except where the carrying amount is greater than net realisable value. In these circumstances the properties are written down to their net realisable value and the difference charged in the Profit and Loss statement.

(E) DEPRECIATION

Depreciation of all fixed assets, except freehold land, is calculated on the straight line method at rates which will write off their cost or valuation less their estimated residual values over their expected useful lives. The following are the assessed lives of the major categories of fixed assets:

Buildings..Average 50 years
Motor vehicles..5 to 8 years
Plant and machinery...3 to 10 years
Office equipment..3 to 10 years

(F) INVESTMENTS

Investments in subsidiary companies are revalued to reflect the Parent Company's share of their net underlying assets. Investments in associate companies are valued at cost plus the share of post acquisition increases in reserves to equate to the Group's share of their net underlying assets.

Other investments are at valuation.

Dividend income is accounted for on a cash basis. Interest income on short term deposits is accounted for as earned.

(G) STOCK AND WORK IN PROGRESS

Stock is valued at the lower of cost and net realisable value. Cost is established principally on the average cost method which approximates actual cost determined on a FIFO basis. Stocks of own manufacture are valued at direct costs of labour, materials and overhead. Full provision is made for all defective, obsolete and slow moving stock. Long term contracts are valued by application of the percentage of completion method reduced by progress payments received or receivable. Other work in progress is valued at direct cost plus related overheads. Where losses have been identified full provision is made in respect of the estimated loss on the entire contract.

(H) DEBTORS

Debtors are valued at expected realisable value.

(I) TAX

The liability method of tax-effect accounting is used. The tax charged against the profit for the period is the estimated total liability in respect of that profit calculated at the present rate of company tax after allowance for permanent differences. This is the comprehensive basis for the calculation of deferred tax.

Tax losses are recognised to the extent that they will be recovered in the foreseeable future.

Subsequent realisation of deferred tax assets or income tax losses are subject to the requirements of income tax legislation being met.

(J) LEASING COMMITMENTS

Operating lease commitments are charged as expenses when incurred.

(K) OVERSEAS CURRENCY

Overseas currency transactions are recorded at the exchange rates in effect at the date of the transaction except where forward currency contracts have been taken out to cover short term forward currency commitments. Where short term forward currency contracts have been taken out the transaction is translated at the average rate contained in the contracts. Overseas currency balances are converted at the rates of exchange ruling at balance date. Exchange gains and losses on overseas currency loans are regarded as part of funding costs and all differences, both realised and unrealised, are treated as arising from the ordinary activities of the business in the period in which the exchange rate changes.

(L) FINANCIAL INSTRUMENTS

Financial Instruments entered into as hedges of an underlying exposure are accounted for on the same basis as the underlying exposure.

(M) STATEMENT OF CASH FLOWS

The following are the definitions of the terms used in the Statement of Cash Flows:

(a) Cash is considered to be cash on hand, call deposits, current accounts in banks and bank overdrafts.

(b) Investing activities are those activities relating to the acquisition, holding and disposal of fixed assets and of investments. Investments can include securities not falling within the definition of cash.

(c) Financing activities are those activities which result in changes in the size and composition of the capital structure of the Group. This includes both equity and debt not falling within the definition of cash. Dividends paid in relation to the capital structure are included in financing activities.

(d) Operating activities include all transactions and other events that are not investing or financing activities.

2. BUSINESS ACTIVITIES DURING THE YEAR

The principal business activities of the Group during the year included:

- the merchandising of steel products
- the fabrication and installation of steelwork and mechanical plant
- the distribution of motor vehicles, parts and accessories

	1995 12 months $000s	1994 15 months $000s
3. SALES		
Parent		
Sales to external customers		
(including export sales of $5,222,000 [1994 $10,411,000])	$282,764	$309,004
Consolidated		
Total turnover of Group companies	335,868	368,272
less sales to companies within the Group	(124)	(947)
Sales to external customers		
(including export sales of $5,222,000 [1994 $10,411,000])	$335,744	$367,325
4. PROFIT BEFORE TAX		
Parent		
Profit before tax has been arrived at:		
After charging:		
Amortisation of goodwill	400	409
Audit fees	202	239
Currency (gains)/losses	13	-
Depreciation	2,958	3,378
Directors' fees	129	146
Increase in restructuring provision	807	-
Interest		
- Fixed loans	604	756
- Other	1,690	1,680
Net loss on disposal of assets	-	58
Rent and leasing costs	5,029	5,657
After Crediting:		
Gain on disposal of subsidiaries	1,475	-
Interest	671	855
Net gain on disposal of assets	92	-
Consolidated		
Profit before tax has been arrived at:		
After charging:		
Amortisation of goodwill	1,484	1,763
Audit fees	242	288
Currency (gains)/losses	13	(5)
Depreciation	3,575	4,205
Directors' fees	135	153
Increase in restructuring provision	807	-
Interest		
- Fixed loans	604	756
- Other	2,047	2,135
Net loss on disposal of assets	233	50
Rent and leasing costs	2,122	2,384
After Crediting:		
Gain on disposal of subsidiaries	1,475	-
Interest	362	534
Net surplus on disposal of other non current assets	-	782

	1995 12 months $000s	1994 15 months $000s

5. TAX

	1995 12 months $000s	1994 15 months $000s
Parent		
Profit before tax	$37,480	$33,241
Tax at 33% (1994: 33%)	12,368	10,970
Plus/(less) tax effect of		
Non-assessable income	(544)	(89)
Non-deductible expenditure	170	135
Under/(over) provision in prior years	613	(1,015)
	239	(969)
Profit and loss tax charge	$12,607	$10,001
The tax charge is represented by:-		
Tax payable in respect of the current year	12,951	10,058
Deferred tax	(344)	(57)
	$12,607	$10,001
Consolidated		
Profit before tax	$ 43,598	$39,319
Tax at 33% (1994: 33%)	14,387	12,975
Plus/(less) tax effect of		
Non-assessable income	(444)	(381)
Non-deductible expenditure	523	663
Under/(over) provision in prior years	231	(678)
Benefit of tax losses not recognised	(68)	(808)
	242	(1,204)
Profit and loss tax charge	$14,629	$11,771
The tax charge is represented by:-		
Tax payable in respect of the current year	14,733	12,652
Benefit of tax losses not recognised	(68)	(808)
Deferred tax	(36)	(73)
	$14,629	$11,771

There are no tax losses to carry forward.

6. DEFERRED TAX

	1995 12 months $000s	1994 15 months $000s
Parent Company		
Deferred tax at beginning of period	1,653	1,596
Transferred from Profit and Loss Account	344	57
Deferred tax at end of period	$1,997	$1,653
Consolidated		
Deferred tax at beginning of period	2,204	1,751
Prior period adjustment	-	380
Balances of subsidiaries disposed	(129)	-
Transferred from Profit and Loss Account	36	73
Deferred tax at end of period	$2,111	$2,204

	1995 12 months $000s	1994 15 months $000s

7. DIVIDENDS

Parent and Consolidated		
Interim dividend of 20 cents per share	8,695	10,859
(Last year 25 cents per share)		
Proposed final dividend of 20 cents per share	8,702	6,516
(Last year 15 cents per share)		
	$17,397	$17,375

8. IMPUTATION CREDIT ACCOUNT

Balance at beginning of period	4,240	2,415
plus/(less):		
Income tax paid	13,908	11,669
Allocated to subsidiaries	(1,000)	-
Imputation credits received	826	638
Imputation credits attached to dividends paid to shareholders	(7,232)	(10,482)
	$10,742	$4,240
Imputation credits directly and indirectly available to the members as at 30 June:		
Parent	10,742	4,240
Subsidiaries	1,012	12
	$11,754	$4,252

9. SHARE CAPITAL

Authorised capital 76,575,581 (1994 76,575,581) ordinary		
shares at 50 cents each	$38,288	$38,288
Issued capital at beginning of period	21,876	21,713
Issued to senior executives share scheme	-	163
Issued capital at end of period	21,876	21,876
Less uncalled capital (senior executives share scheme)	(118)	(151)
Issued and paid up capital at end of period	$21,758	$21,725

	Shares	Shares
Shares on issue at end of period	43,750,533	43,750,533

Shares issued under the senior executives share scheme qualify for bonus and cash issues but do not have dividend or voting entitlements until fully paid.

		1995 12 months $000s	1994 15 months $000s
10. CAPITAL RESERVES			
Parent Company			
Share premium account			
Balance at beginning of period		41,080	41,017
Call on Senior Executives Shares		321	63
Balance at end of period		41,401	41,080
This account comprises the amount by which the price of shares issued has exceeded the par value of 50 cents per share, less distributions made to shareholders in previous years.			
Capital replacement fund			
Balance at end of period		5,004	5,004
Previous High Court approvals to make distributions from the share premium account were conditional upon equivalent amounts being transferred from revenue sources to this fund. The balance equates to the amount distributed from the above premium account.			
Revaluation of assets reserve			
Shares in subsidiaries:	Balance at beginning of period	3,387	257
	Write up of investment to equate share of tangible assets	2,555	3,130
	Balance at end of period	5,942	3,387
Investments:	Balance at beginning of period	-	24
	Transfer to retained profits	-	(24)
	Balance at end of period	-	-
Total parent company capital reserves as at end of period		$52,347	$49,471
Consolidated			
Share premium account			
Balance at beginning of period		41,080	41,017
Call on Senior Executives Shares		321	63
Balance at end of period		41,401	41,080
Capital replacement fund		5,004	5,004
Revaluation of assets reserves			
Investments:	Balance at beginning of period	-	24
	Transfer to retained profits	-	(24)
	Balance at end of period	-	-
Total consolidated capital reserves as at end of period		$46,405	$46,084

11. BANKING FACILITIES

Unrestricted access was available at balance date to the following lines of credit:

	1995 *$000s*	*1994* *$000s*
Total facilities:		
Parent		
Bank overdraft	3,100	3,200
Bank loan facilities	48,000	48,000
	51,100	51,200
Subsidiaries		
Bank overdraft	-	621
Bank loan facilities	-	6,241
	$51,100	$58,062
Used at balance date:		
Parent		
Bank overdrafts	918	587
Bank loan facilities	22,400	26,000
	23,318	26,587
Subsidiaries		
Bank loan facilities	-	4,694
	$23,318	$31,281
Unused at balance date:		
Parent		
Bank overdrafts	2,182	2,613
Bank loan facilities	25,600	22,000
	27,782	24,613
Subsidiaries		
Bank overdrafts	-	621
Bank loan facilities	-	1,547
	$27,782	$26,781

Subject to the continuance of satisfactory credit rating, the bank loan facilities may be drawn at any time, and have an average maturity of 1 year (1994: 1 year). The bank overdraft facilities may be drawn at any time and may be terminated by the bank on demand. Interest rates on all facilities are variable.

12. ACCOUNTS PAYABLE

Parent Company		
Accounts payable	20,279	18,634
Capital profit deferred on defeasance of debt	-	43
	20,279	18,677
Subsidiaries		
Accounts payable	-	7,494
	$20,279	$26,171

	1995 $000s	1994 $000s
13. BILLS PAYABLE		
Parent Company		
Commercial bills	22,400	16,000
Subsidiaries		
Commercial bills	-	4,694
	$22,400	$20,694

Interest rates on commercial bills ranged from 7% to 10% during the period (1994 6% to 8%).

In 1986 the Group entered into an arrangement with Bankers Trust Pacific Limited which resulted in the obligations for future interest payments and principal repayments under three debenture trust deeds being taken over by that Company. As at 30 June 1995 the residual amount of debt under this arrangement, which is guaranteed by the Rural and Industries Bank of Western Australia, excluded from the consolidated balance sheet and the parent company balance sheet is $100,000 (1994 consolidated and parent company balance sheet $1,020,000). The debenture stock matures in April 1996.

	1995 $000s	1994 $000s
14. NON CURRENT ASSETS		
Fixed Assets		
Parent Company		
Plant & machinery		
At cost	30,704	27,106
Less accumulated depreciation	(15,130)	(15,690)
	$15,574	$11,416
Consolidated		
Land & buildings		
Land - freehold		
At cost	2,831	4,550
At Directors' valuation March 1991	3,887	4,408
	6,718	8,958
Land - leasehold		
At cost	29	29
At Directors' valuation March 1991	151	151
	180	180
Total land	6,898	9,138
Buildings - freehold		
At cost	11,817	13,224
Less accumulated depreciation	(691)	(572)
	11,126	12,652
At Directors' valuation March 1991	4,759	4,445
Less accumulated depreciation	(372)	(295)
	4,387	4,150
Total buildings	15,513	16,802
Total land and buildings	22,411	25,940
Plant & equipment		
At cost	30,704	29,337
Less accumulated depreciation	(15,130)	(16,364)
	15,574	12,973
	$37,985	$38,913

Tse Group Limited, who are Associates of the New Zealand Institute of Valuers valued the Group's land and buildings at $22,405,000 as at 30 June 1995. The valuation has been made on the basis of the properties existing use and value on the open market.

	1995 $000s	1994 $000s
15. ACCOUNTS RECEIVABLE AND PREPAYMENTS		
Parent Company		
Accounts receivable	47,175	41,836
Prepayments and other receivables	1,060	664
	48,235	42,500
Subsidiaries		
Accounts receivable	-	5,542
Prepayments and other receivables	580	1,048
	$48,815	$49,090
16. INVENTORY AND WORK IN PROGRESS		
Parent Company		
Gross work in progress	9,495	10,797
Less progress billings	(9,221)	(9,896)
	274	901
Cash received and receivable as progress billings, advances and retentions amounted to $9,200,000 (1994: $10,131,000)		
Inventory	56,794	43,577
	57,068	44,478
Subsidiaries		
Inventory	-	12,940
	$57,068	$57,418

17. INVESTMENTS IN SUBSIDIARY COMPANIES

The principal subsidiaries comprise:

	Percentage Shareholding	*Balance Date*
Acorn Pacific Corporation Limited	100%	30 June
Steel & Tube New Zealand Limited	100%	30 June
Robt Stone & Company Limited	100%	30 June
Chatham Properties Limited	100%	30 June
NZMC Limited	100%	30 June
Robt Stone Malaysia Limited	100%	30 June

18. OPERATING LEASE COMMITMENTS

The Group has operating leases with lease terms in excess of one year in respect of land and buildings.

At 30 June 1995 the aggregate lease commitments were as follows:

	1995 $000s	1994 $000s	1995 $000s	1994 $000s
	Parent Company		**Consolidated**	
(i) due within one year	2,394	2,088	3,113	3,087
(ii) due later than one year and not later than two years	1,981	1,879	2,474	2,861
(iii) due later than two years and not later than five years	4,232	4,455	4,839	6,144
(iv) due later than five years	1,876	1,411	2,544	2,546
	$10,483	$9,833	$12,970	$14,638

19. RELATED PARTY DISCLOSURES

At balance date, Steel & Tube Holdings Limited was a subsidiary of Tubemakers of New Zealand Limited, which itself is ultimately controlled by Tubemakers of Australia Limited.

During the reporting period, transactions were conducted with Tubemakers of Australia Limited and subsidiaries (Tubemakers) [ultimate holder of 50.38% (1994 50.53%) of the voting securities of Steel & Tube Holdings Limited]

The Group sourced 4.7% (1994 3.9%) of its purchases from Tubemakers. The Group at balance date owed Tubemakers $981,396 (1994 $673,332) due in July 1995. All transactions with Tubemakers were conducted on an arm's length basis and on normal commercial terms.

In November 1994, the Group's only Australian subsidiary was sold to Tubemakers for $3,637,000, resulting in a profit on sale of $1,475,000. The disposal was made on normal commercial terms.

20. CONTINGENT LIABILITIES

Guarantees under contracts and other contingent liabilities of the Parent and Group total $1,631,000 (1994 $1,281,000).

21. CAPITAL COMMITMENTS

The Group has capital commitments of $1,616,000 (June 1994 $1,765,000).

22. FINANCIAL REPORTING FOR SEGMENTS

A. INDUSTRY SEGMENTS

	Merchandising and Contracting		*Automotive*		*Corporate Activities and Investments*		*Eliminations*		*Consolidated*	
	1995	*1994*	*1995*	*1994*	*1995*	*1994*	*1995*	*1994*	*1995*	*1994*
	12 MTHS	*15MTHS*	*12 MTHS*	*15 MTHS*	*12 MTHS*	*15 MTHS*	*12 MTHS*	*15 MTHS*	*12 MTHS*	*15 MTHS*
	$000s	*$000s*	*$000s*	*$000s*	*$000s*	*$000s*	*$000s*	*$000s*	*$000s*	*$000s*
Sales to customers										
outside the Group	**285,789**	319,095	**49,955**	48,230	**-**	-	**-**	-	**335,744**	367,325
Intersegment Sales										
(Note a)	**-**	-	**124**	947	**-**	-	**(124)**	(947)	**-**	-
Total Sales	**285,789**	319,095	**50,079**	49,177	**-**	-	**(124)**	(947)	**335,744**	$367,325
Segment Result	**41,958**	37,118	**3,659**	2,396	**(1,271)**	983	**-**	-	**44,346**	40,497
Unallocated Income/(Expenses)										
Fixed loan & Other interest									**(2,289)**	(2,357)
Taxation									**(14,629)**	(11,771)
Total Unallocated Expenses									**(16,918)**	(14,128)
Profit/(loss) attributable to Shareholders									**$27,428**	$26,369
Segment Assets	**151,217**	133,528	**-**	20,801	**8,241**	9,025	**-**	-	**159,458**	163,354

NOTES:

The Group has operated predominantly in two segments: Merchandising and Contracting
Automotive

The 50% shareholding of Motorcorp Holdings Limited was sold on 28 June 1995 to the Joint Venture Partner at net tangible assets, in accordance with the Joint Venture Agreement thereby reducing the automotive segment assets to nil at 30 June 1995.

B. GEOGRAPHICAL SEGMENTS

In excess of 90% of the Group's activities are carried out within New Zealand.

Note (a) Prices on intersegment sales are negotiated on an arm's length basis.

23. FINANCIAL INSTRUMENTS

(a) Nature of activities and management policies with respect to financial instruments.

(i) Foreign Exchange

The Group undertakes transactions denominated in foreign currencies from time to time and resulting from these activities, exposures in foreign currency arise. It is the Group's policy to hedge foreign currency risks as they arise. The Group uses forward and spot foreign exchange contracts to manage these exposures.

The net notional contract amounts of forward foreign exchange transactions outstanding at balance date are as follows:

	1995 $000s	1994 $000s
Parent company		
Australian Dollar	**4,283**	6,776
British Pounds Sterling	**143**	203
United States Dollar	**2,316**	2,376
Japanese Yen	**5**	-
	6,747	9,355
Subsidiaries		
British Pounds Sterling	**-**	7,004
	$6,747	$16,359

The cash settlement requirements of these contracts approximates the notional contract amount.

(ii) Interest Rate

The Group has used both short term floating and long term fixed rate borrowing to fund ongoing activities.

(iii) Credit

In the normal course of its business the Group incurs credit risk from trade debtors and financial institutions. There are no significant concentrations of credit risk. The Group has a credit policy which is used to manage this exposure to credit risk. As part of this policy limits on exposures have been set and are monitored on a regular basis. In some instances, the Group secures collateral from trade debtors in the form of charges over their assets in order to mitigate the risk of loss as a result of default of their obligations.

The Group does not require any collateral or security to support financial instruments due to the quality of the financial institutions dealt with.

(b) Fair Values

The estimated fair values of the Group's financial assets and liabilities are noted below:

Parent Company	*1995* Carrying Value $000s	*1995* Fair Value $000s	*1994* Carrying Value $000s	*1994* Fair Value $000s
Assets				
Cash	1,212	1,212	3,056	3,056
Short Term Deposits	-	-	3,850	3,850
Debtors	48,235	48,235	42,500	42,500
Investments	621	621	274	274
Liabilities				
Bank Overdraft	(918)	(918)	(587)	(587)
Trade Creditors	(20,279)	(20,279)	(18,634)	(18,634)
Commercial Bills Payable	(22,400)	(22,400)	(16,000)	(16,000)
Term Liabilities	-	-	(10,000)	(9,721)
Foreign Exchange Contracts	-	(72)	-	(101)

Consolidated	*1995* Carrying Value $000s	*1995* Fair Value $000s	*1994* Carrying Value $000s	*1994* Fair Value $000s
Assets				
Cash	1,213	1,213	3,493	3,493
Short Term Deposits	-	-	3,850	3,850
Debtors	51,315	51,315	49,090	49,090
Investments	621	621	274	274
Foreign Exchange Contracts	-	-	-	55
Liabilities				
Bank Overdraft	(918)	(918)	(587)	(587)
Trade Creditors	(20,279)	(20,279)	(26,128)	(26,128)
Commercial Bills Payable	(22,400)	(22,400)	(20,694)	(20,694)
Term Liabilities	-	-	(10,000)	(9,721)
Foreign Exchange Contracts	-	(72)	-	(101)

The following methods were used to estimate the fair values for each class of financial instrument:

Cash, Short Term Deposits, Debtors, Bank Overdraft, Trade Creditors and Commercial Bills Payable.

The carrying value of these items is equivalent to the fair value.

Investments

The fair value of listed investments is estimated based on quoted market prices at balance date. The fair value of unlisted investments is estimated to be the net asset backing.

Foreign Exchange Contracts

The fair value of these instruments is estimated based on the quoted market price of these instruments.

24. SUBSEQUENT EVENTS

There are no subsequent events from 30 June 1995 to 23 August 1995.

Coopers & Lybrand

chartered accountants
and business advisers

PO Box 243
UDC Tower
113-119 The Terrace
Wellington
New Zealand

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fax 0-4-499 9696

TO THE SHAREHOLDERS OF STEEL & TUBE HOLDINGS LIMITED

We have audited the financial statements on pages 16 to 35. The financial statements provide information about the past financial performance and financial position of the Company and Group as at 30 June 1995. This information is stated in accordance with the accounting policies set out on pages 24 to 25.

DIRECTORS' RESPONSIBILITIES

The Company's Directors are responsible for the preparation of the financial statements which give a true and fair view of the financial position of the Company and Group as at balance date and the results of operations and cashflows for the year ended 30 June 1995.

AUDITORS' RESPONSIBILITIES

It is our responsibility to express an independent opinion on the financial statements presented by the Directors and report our opinion to you.

BASIS OF OPINION

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Directors in the preparation of the financial statements, and
- whether the accounting policies are appropriate to the Company and Group circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by error or fraud. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Our firm carries out other assignments on behalf of the Company and its subsidiaries in the area of taxation and consulting advice.

UNQUALIFIED OPINION

We have obtained all the information and explanations we have required.

In our opinion:

- proper accounting records have been kept by the Company as far as appears from our examination of those records, and
- the financial statements on pages 16 to 35:
  - comply with generally accepted accounting practice; and
  - give a true and fair view of the financial position of the Company and Group as at 30 June 1995 and the results of their operations and cashflows for the year ended on that date.

Our audit was completed on 23 August 1995 and our unqualified opinion is expressed as at that date.

Coopers + Lybrand

Chartered Accountants

Wellington

Cooper & Lybrand is a member of Coopers & Lybrand International, a limited liability association incorporated in Switzerland.

COMPARATIVE REVIEW

	Note	1995 12 months $000s	1994 15 months $000s	1993 12 months $000s	1992 12 months $000s	1991 12 months $000s
SALES		**335,744**	367,325	275,249	250,641	285,510
PROFITS						
Net profit before tax		**43,598**	39,319	19,515	10,807	4,763
Tax		**14,629**	11,771	6,824	4,007	985
Net tax-paid profit		**28,969**	27,548	12,691	6,800	3,778
Minority interests		**1,541**	1,179	305	(1,012)	(329)
		27,428	26,369	12,386	7,812	4,107
Retained profits in associate companies		-	-	(104)	189	81
Extraordinary items		-	-	-	-	(7,705)
Total Group profit/(loss) after tax		**27,428**	26,369	12,282	8,001	(3,517)
Dividends		**(17,397)**	(17,375)	(7,816)	(14,754)	(4,340)
Transfer from revaluation of asset reserves		-	24	-	-	-
Increase/(reduction) in retained profits		**10,031**	9,018	4,466	(6,753)	(7,857)
FINANCIAL POSITION						
Paid up capital		**21,758**	21,725	21,713	43,401	43,397
Current assets		**108,685**	113,851	125,981	92,639	110,851
Current liabilities		**53,542**	55,429	88,962	39,988	98,228
Net current assets		**55,143**	58,422	37,019	52,651	12,623
Total assets		**159,458**	163,354	186,638	158,833	215,380
Total liabilities		**53,542**	67,823	100,176	50,897	100,149
Shareholders' funds		**105,916**	95,531	86,462	107,936	115,231
STATISTICS						
	Note					
Dividends paid in cents per share	(1)	**40.0**	40.0	18.0	34.0	10.0
Times dividend covered		**1.6**	1.5	1.6	0.6	-
Earnings in cents per share	(1)	**63.0**	(3) 48.6	28.3	18.4	(8.1)
Percentage return on:						
Sales		**8.2**	7.2	4.5	3.2	(1.2)
Shareholders' funds at period end		**25.9**	(3) 22.1	14.2	7.4	(3.1)
Total assets at period end		**17.2**	(3) 12.9	6.6	5.0	(1.6)
Current assets to current liabilities		**2.0:1**	2.1:1	1.4:1	2.3:1	1.1:1
Net assets in cents per share	(1)	**243**	220	199	249	265
Percentage of shareholders' funds to total assets	(2)	**66**	58	54	68	54
Number of ordinary shareholders		**4,609**	4,554	5,189	5,099	5,121
Number of employees at period end		**648**	769	672	795	1,018

Note:

(1) All calculations prior to 1993 have been based on 1993 reduced share capital of 43,425,533 shares.

(2) This ratio has been calculated as at 31 March 1993 as if the proceeds arising on cancellation of 43,423,305 shares had been distributed to shareholders prior to balance date.

(3) The earnings in cents per share, percentage return on shareholders' funds and total assets at period end have been annualised for the period ended 30 June 1994.

SHAREHOLDER STATISTICS

as at 30 August 1995

CENSUS OF SHAREHOLDERS

Size of Holdings	No of Shareholders	No of Shares	%
1-500	2,275	432,902	0.99
501-1000	833	574,842	1.32
1001-5000	1,251	2,495,282	5.73
5001-10000	158	989,657	2.27
10001-50000	67	1,358,821	3.12
50001-100000	9	639,813	1.47
Over 100,000	16	37,082,866	85.10
	4,609	43,574,183	100.00

TWENTY LARGEST SHAREHOLDERS

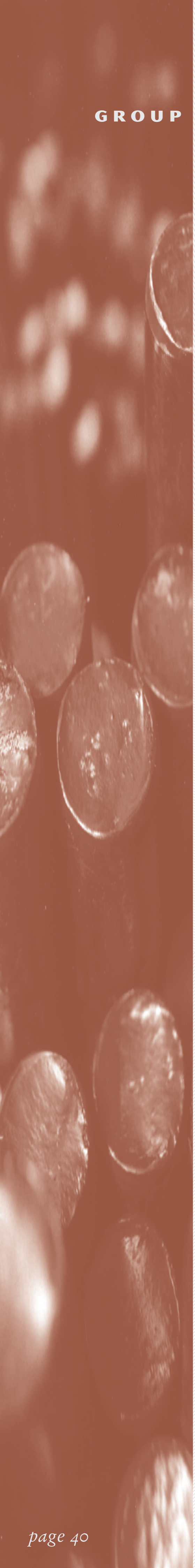
At 30 August the twenty largest shareholders held 78.37% of the issued shares.
The twenty largest holders are as follows.

Tubemakers of New Zealand Limited	21,953,620	50.38
ANZ Nominees Limited	2,337,780	5.36
Australian Mutual Provident Society No. 2 Account	1,519,030	3.49
National Nominees Limited	1,028,900	2.36
Southpac Investment Management Limited	815,570	1.87
AMP Superannuation Investment Trustee (NZ) Limited	807,694	1.85
The Trustee Executors Agency Company of New Zealand Limited	790,700	1.81
Accident Rehabilitation Compensation Board	577,000	1.32
NZI Investment Nominees Limited	510,000	1.17
Barclays New Zealand Limited	485,550	1.11
Guardian Assurance Limited - Equity Fund	475,000	1.09
Norwich Union Life Insurance (NZ) Limited	427,400	0.98
Premier Nominees Limited - Armstrong Jones NZ Share Fund	414,400	0.95
Guardian Trust Investment Nominee Limited	353,450	0.81
Windley Nominees Limited	320,000	0.73
Permanent Nominees Limited - A/c Tower New Zealand Equity Trust	319,200	0.73
Perpetual Nominees Christchurch Limited	288,500	0.66
Guardian Assurance Limited - Life Fund	285,000	0.65
The Public Trustee - A/c GIF No. 41	233,119	0.53
Nicholas Calavrias	225,000	0.52

SUBSTANTIAL SECURITY HOLDERS

According to the file kept by the Company in terms of section 25 of the Securities Amendment Act 1988, the names of persons who are substantial security holders and the number of voting securities in which they have a relevant interest at 30 August 1995 are as follows:

	Fully Paid ordinary shares held	*Percentage of total shares on issue*
Name		
Tubemakers of Australia Limited	21,953,620	50.38
Australian Mutual Provident Society	2,951,409	6.78
Tower Corporation	2,221,076	5.10
Securities on issue comprise:		
Fully paid ordinary shares carrying full voting rights		43,574,183
Senior Executives' Shares partly paid to one cent		331,000



GROUP DIRECTORY

STEEL & TUBE HOLDINGS LIMITED

15-17 Kings Crescent, Lower Hutt
Private Box 30-543, Lower Hutt
Chief Executive Officer . . . . Mr N Calavrias
Company Secretary . . . . Mr A C Candy

MERCHANDISING

15-17 Kings Crescent, Lower Hutt
Private Box 30-543, Lower Hutt
Chief Executive Officer
Mr N Calavrias

CP REINFORCING

15-17 Kings Crescent, Lower Hutt
PO Box 38-337
Wellington Mail Centre
General Manager
Mr R J O'Neill

ROBT STONE & COMPANY

525 Great South Road
Penrose, Auckland
PO Box 40, Auckland
General Manager
Mr T R Donaldson

CP Steel
Steel Service Centre
Fastening Supplies
Longrun Industries
Metal Sales
Nuts and Bolts and Screws
Steel & Tube New Zealand
Stewart Steel

TRUSTEES FOR DEBENTURE HOLDERS

The Trustees Executors & Agency
Company of New Zealand Limited,
National Mutual Life Nominees Limited

AUDITORS

Coopers & Lybrand

SHARE AND DEBENTURE REGISTRY

Registry Managers (New Zealand) Limited
Private Bag 92 119
Auckland 1020

PRINCIPAL BANKERS

ANZ Banking Group (New Zealand) Limited
National Bank of New Zealand Limited

NATIONWIDE MANUFACTURING AND SALES LOCATIONS