



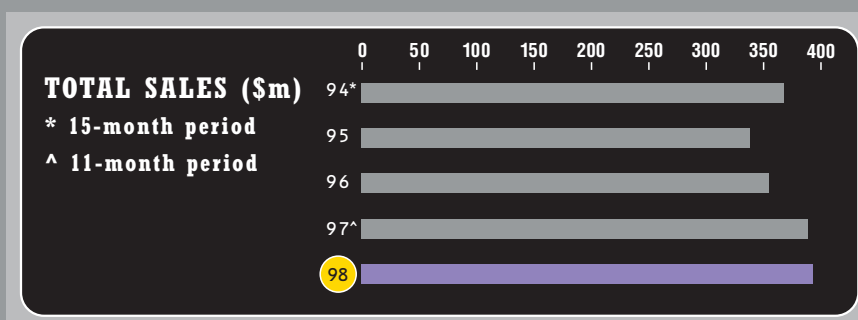
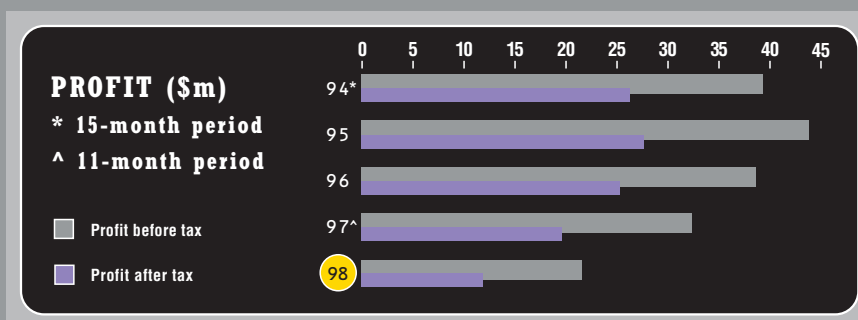
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HIGHLIGHTS:

Steel Distribution and Processing >> Increased volumes for value-added products from Coil Processing and Plate Service centres. **A J Forsyth & Company Limited** >> Achieved significant improvement in profit for the year. **Reinforcing and Fabrication** >> Record profits earned for the period. Obtained certification to ISO 9002. **Health and Safety** >> Further improvement in the Group's safety record during the period.



STEEL & TUBE HOLDINGS LIMITED

BOARD OF DIRECTORS



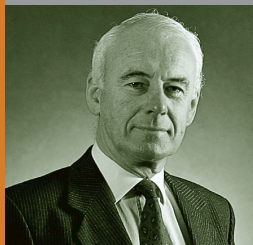
Dr R L EVERY >> Dr Every was appointed Chairman of the Board on 18 October 1996. He was appointed to the Board from Tubemakers of Australia Limited as an Executive Director in 1988. He was Chief Executive Officer of Steel & Tube Holdings Limited from 1 August 1989 until 30 June 1991. He was appointed Managing Director of Tubemakers of Australia Limited on 1 January 1996 and is now Group General Manager and Chief Executive Officer of BHP Steel Products, located in Sydney.



Mr N CALAVRIAS >> In September 1990 Mr Calavrias was appointed 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 Director of all subsidiary companies of Steel & Tube Holdings Limited. Mr Calavrias is a member of the New Zealand Business Roundtable.



Mr B L CARRASCO >> Appointed a Director on 30 March 1998, Mr Carrasco is Group General Manager BHP Steel Finance and a Director of A J Forsyth & Company Limited.



Mr B M J DINEEN >> Appointed a Director in 1994, Mr Dineen was formerly Chairman and Managing Director of the Shell Companies in New Zealand. He is currently Chairman of the New Zealand Wool Testing Authority Limited and a Director of the National Bank of New Zealand Limited, Todd Corporation Limited, Bay of Plenty Fertiliser Limited, New Zealand Symphony Orchestra Limited, Rangatira Limited, Tru-Test Corporation Limited, Danaflex Packaging Corporation Limited, Income Support (a division of Social Welfare) and a member of the Board of New Zealand Cricket.



Mr P L MULLER >> Appointed a Director on 10 June 1997, Mr Muller is Group General Manager of BHP's Steel Products Divisions, Tubemakers Merchandising Group and is a Director of A J Forsyth & Company Limited.



Mr A S PATERSON >> Appointed a Director in 1975, Mr Paterson is a Director of New Zealand Petroleum Company Limited and Tru-Test Corporation Limited.



Mr A C CANDY >> Appointed Company Secretary in February 1992, Mr Candy joined the Company as Financial Controller of the Merchandising Division in 1988 and is a Director of all subsidiary companies of Steel & Tube Holdings Limited.

DIRECTORS' REPORT

The Directors present the Annual Report together with the financial statements of the Company and its subsidiaries for the twelve months ended 31 May 1998.

RESULTS >> The year end result was an after tax profit of \$11.9 million. This compares most unfavourably with the \$19.5 million reported for the eleven months ended 31 May 1997.

DIVIDENDS >> The Directors have declared a final dividend of 7 cents per share which will be paid on 28 August 1998 to holders of fully paid ordinary shares registered at 14 August 1998. The amount payable is \$6.1 million. This dividend carries full imputation credits and makes a total distribution for the year of 14 cents per share, which compares with an amount of 20 cents per share on the bonus increased capital of the previous financial period.

FINANCIAL POSITION >> Shareholders' equity increased to \$130 million from \$124 million last year. During the year borrowings reduced by \$12 million to \$67 million principally due to reduced working capital usage. The gearing ratio (debt : debt plus shareholders' equity) is 0.34 : 1. The Company continues to be in a sound position.

During the year, 180,000 shares paid up to 1 cent were issued under the Senior Executives' Share Scheme.

AUDITORS >> In accordance with section 200 of the Companies Act 1993, the Auditors, PricewaterhouseCoopers, continue in office.

DIRECTORS >> Mr G M Parker resigned on 31 October 1997. Mr B L Carrasco was appointed to the Board on 30 March 1998 to fill a casual vacancy.

In accordance with the Company's Constitution Mr B M J Dineen and Mr P L Muller will retire by rotation and, being eligible, offer themselves for re-election. Mr B L Carrasco will be proposed for election.

COMMITTEES OF THE BOARD >> The Board of Directors has an Audit Committee comprising Messrs B L Carrasco (Chairman), A S Paterson and B M J Dineen. The committee met twice during the year. The role of the Audit Committee is to review the Group's accounting policies, internal controls, statutory compliance and related matters.

PERSONNEL >> The number of employees has reduced to 1,042 from 1,255. This reduction is mainly due to fewer contracts being worked on by the Engineering Group.

The Directors wish to acknowledge the contribution made by all staff during a very difficult trading period.



Dr R L Every
Chairman of Directors



Mr N Calavrias
Chief Executive Officer

Dated 30 July 1998

CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS

The financial returns to shareholders were significantly reduced for the year ended 31 May 1998, when compared to the previous accounting period which was for eleven months.

During the year under review, sales and earnings before tax from the New Zealand operations declined by \$55 million or 16% and \$14.45 million or 41% respectively when compared to the previous twelve months (annualised from management accounts). The Canadian operations, on the other hand, increased its sales in Canadian dollars by \$4.1 million or 5% and its earnings before interest and tax by \$1.7 million or 53%.

Group profit before tax earned 17.3% on average shareholders' funds during the year.

STEEL DISTRIBUTION AND PROCESSING

The weakening economy, especially in the second half of the financial year, saw the consumption of steel used in the heavy engineering sector decline by approximately 20% when compared with the previous year. A reduction in the consumption of steel of this magnitude was last experienced during the 1991 recession.

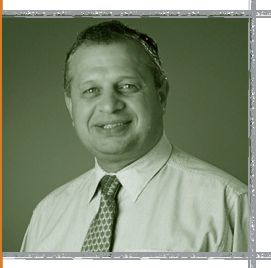
These adverse trading conditions affected the Steel Distribution operations with total volumes declining along with an erosion of margins due to increased competition.

It was pleasing to note however, that during these difficult times the Steel operations still managed to increase its volumes for value-added products from its Coil Processing and Plate Service centres.

The new facilities in Auckland, as expected, enabled the Company to improve its service levels to clients in a cost-effective manner.

The roofing and cladding operations trading as Longrun Industries expanded its Hamilton sales office into a full manufacturing unit during the year. This region was previously being serviced with product from the Tauranga Branch.

An increased focus on asset management was successful and by year end the funds employed reduced by \$17 million.

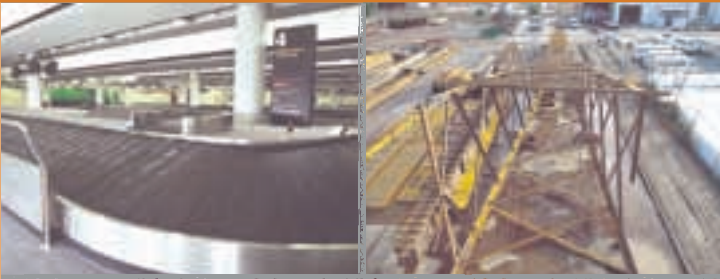


Nick Calavarias
Chief Executive Officer

Terry Carter
General Manager Northern Region



Jon Gousmett
General Manager Central
and Southern Region



Luggage conveyor at Auckland International Airport manufactured by Glidepath Industries and exported to Asia Pacific countries.

The first of 48 Windtowers manufactured by Eastbridge Ltd for the Tararua Windfarm project.

Assembly line of Simpson, Atlas and Westinghouse cookers at Email Appliances in Christchurch.

A range of uses for the company's products manufactured by customers.



Children's playground equipment from Playco Equipment Ltd and Playground Centre.



REINFORCING AND FABRICATION

The Reinforcing operations benefited from the large amount of forward orders held at the commencement of the year, enabling it to surpass last year's record profit.

As was the case last year, infrastructure and new apartment buildings dominated the larger contracts; however, this year the contracts had a wider geographical spread.

Major contracts of interest that were supplied during the year include:

- ❖ **Kinleith Mill modernisation**
- ❖ **Wellington International Airport**
- ❖ **Victoria Square redevelopment**
- ❖ **Southern Eastern Arterial Motorway**
- ❖ **Orewa Bridge**
- ❖ **Mercury Energy Tunnel**
- ❖ **Great South Road Apartments**

The Reinforcing operations obtained certification to ISO 9002 during the year, thus confirming its ability to supply its products and services to the highest standards.

Although the new year has commenced with substantial orders on hand, the Reinforcing operations will be reliant on an uplift in the economy early in the new calendar year if it is to continue its current earnings.

ENGINEERING AND FABRICATION

The reduced opportunities brought about by the severe downturn in the heavy engineering sector and the subsequent erosion of margins contributed to the Engineering operations posting a trading loss for the year under review.

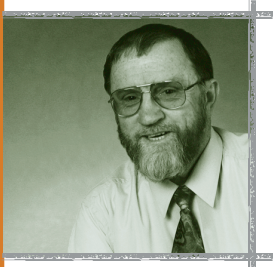
The forestry sector was also severely affected by the downturn in the Asian economies thus affecting Southern Cross Engineering's ability to obtain suitable contracts in its area of expertise.

As a consequence of the above factors, the Engineering operations was downsized which resulted in seventy-two employees being made redundant. The business unit trading as Mt Wellington Metallisation was also sold during the year at book value.

The Company has a major claim against Transfield Power Systems relating to the scope of work undertaken on the co-generation plant at BHP-New Zealand Steel, which was completed during the year. Negotiations are continuing in the expectation that a satisfactory settlement can be reached without the need for litigation.



Roger O'Neill
General Manager
Reinforcing and Fabrication



Trevor Gibbons
General Manager
Engineering and Fabrication

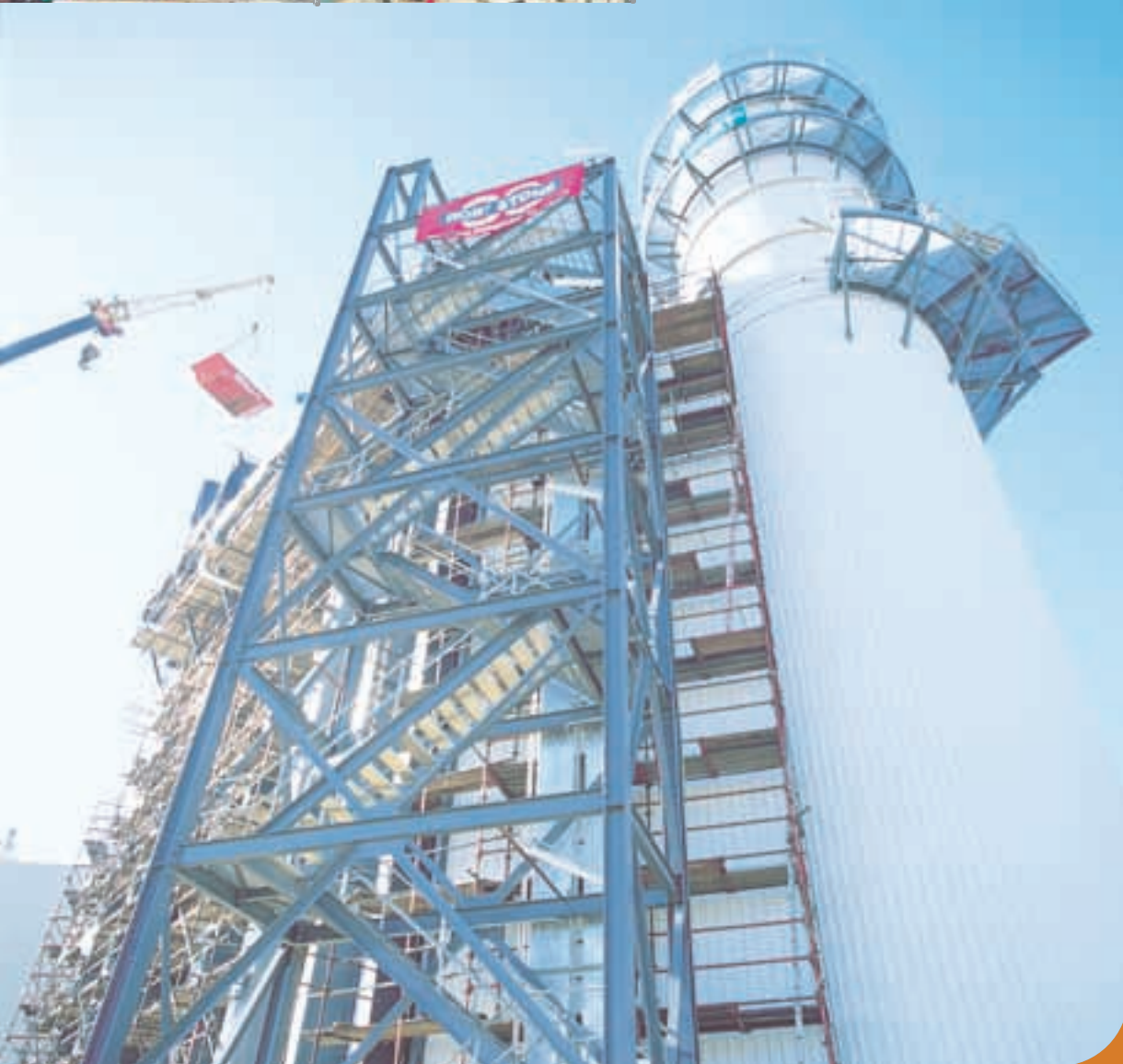
1750 tonnes of reinforcing supplied to the Kinleith Mill modernisation.



Hydro electric dam screencleaner, manufactured by Southern Cross Engineering replaces manual cleaning operation pictured on the left.



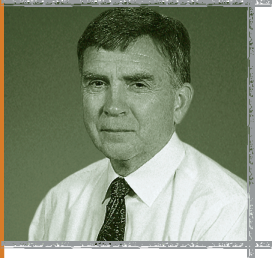
Heat Recovery Steam Generator Boiler Unit under construction by Robt Stone for Siemens at the Contact Energy Otahuhu Power Station.



A J FORSYTH & COMPANY LIMITED

A significant improvement in profit was achieved by the Company this year when compared to the previous period.

Duncan Thomas
President
A J Forsyth & Company Limited



This result is especially pleasing given that the economic activity slowed considerably throughout British Columbia in the second half of the year due in part to the effect on the economy of the Asian financial crisis.

The Company continued to benefit from the recent upgrade of facilities by obtaining more operational efficiencies and increased its volumes through the Plate Processing units. Further operational efficiencies are expected to be obtained next year as each phase of the reorganisation plan is completed.

YEAR 2000 COMPLIANCE

The majority of computer software world-wide is programmed to process transactions using only two digits for the year of transaction (e.g. 98 for 1998). Computer systems that do not recognise the year 2000 will encounter significant processing inaccuracies and in some cases become totally inoperable. The Company is scheduled to have all Group operations Year 2000 compliant by early 1999.

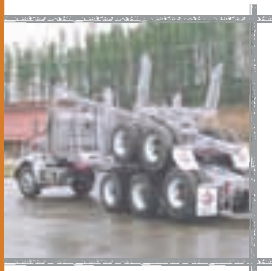
HEALTH AND SAFETY

Health and safety in the workplace continues to be a focus of the Group's business philosophy with Safety Committees, Management and the Board promoting the importance of safety at all times. This focus has seen a continued improvement in the Group's safety record during the period, leading to greater productivity and cost reductions.

The Group's lost time injury frequency rate reduced during the year to 11.9 per one million hours worked (previously 26.9) while the number of lost time injuries reduced from 69 to 25.

OUTLOOK

Reduced steel volumes and margin pressure will affect the Company's profit as the difficult trading conditions encountered throughout the year are expected to continue for both the New Zealand and the Canadian operations in the year ahead.



Artic Manufacturing
specialise in the production
of logging trailers.

A handwritten signature in black ink, appearing to read 'N Calavrias'. The signature is written in a cursive style.

Mr N Calavrias
Chief Executive Officer

FINANCIAL STATEMENTS



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Statement of Financial Position **PAGE 11** Statement of Cash Flows **PAGE 12** Notes to the
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STATEMENT OF FINANCIAL PERFORMANCE

of Steel & Tube Holdings Limited and its subsidiaries for
the twelve months ended 31 May 1998

	Notes	Group		Parent	
		1998 12 months (\$000)	1997 11 months (\$000)	1998 12 months (\$000)	1997 11 months (\$000)
Sales		395,215	386,976	293,163	314,751
Profit before taxation	3	21,923	32,114	16,736	29,493
Tax expense	4	8,580	11,831	5,882	10,320
Profit after taxation		13,343	20,283	10,854	19,173
Minority interest in profit of subsidiary		(1,406)	(695)	-	-
Profit attributable to the shareholders of the parent company		\$11,937	\$19,588	\$10,854	\$19,173

STATEMENT OF MOVEMENTS IN EQUITY

of Steel & Tube Holdings Limited and its subsidiaries for
the twelve months ended 31 May 1998

	Group		Parent	
	1998 12 months (\$000)	1997 11 months (\$000)	1998 12 months (\$000)	1997 11 months (\$000)
Equity at the beginning of the period	124,213	121,249	116,028	113,677
Net profit for the period	11,937	19,588	10,854	19,173
Net movement in revaluation of assets reserve	-	-	3,498	359
Net movement in foreign currency translation reserve	2,415	(292)	-	-
Total recognised revenue and expenses for the period	14,352	19,296	14,352	19,532
Increase in minority interest	3,103	613	-	-
Increase in paid-up capital	228	519	228	519
Net decrease in reserves from amalgamation of subsidiaries	-	-	-	(236)
Dividends	(12,279)	(17,464)	(12,279)	(17,464)
Supplementary dividends	(1,441)	(1,731)	(1,441)	(1,731)
Foreign investor tax credit	1,441	1,731	1,441	1,731
Equity at the end of the period	\$129,617	\$124,213	\$118,329	\$116,028

The accompanying notes form part of and are to be read in conjunction with these financial statements.

STATEMENT OF FINANCIAL POSITION

of Steel & Tube Holdings Limited and its subsidiaries
as at 31 May 1998

	Notes	Group		Parent	
		1998 (\$000)	1997 (\$000)	1998 (\$000)	1997 (\$000)
Equity					
Paid up capital	8	69,312	69,084	69,312	69,084
Reserves	9	1,580	(835)	3,857	359
Retained earnings		47,437	47,779	45,160	46,585
Shareholders' funds		118,329	116,028	118,329	116,028
Minority interest		11,288	8,185	-	-
		129,617	124,213	118,329	116,028
Non Current Liabilities					
	10	10,000	30,532	10,000	109,862
Current Liabilities					
Short term borrowings	11	57,242	48,238	27,642	33,130
Accounts payable	12	21,908	28,064	15,663	20,929
Provision for tax		24	-	-	-
Proposed dividend	6	6,141	8,732	6,141	8,732
		85,315	85,034	49,446	62,791
		\$224,932	\$239,779	\$177,775	\$288,681
Non Current Assets					
Fixed assets	13	68,995	63,023	45,085	44,732
Investments	14	-	457	14,554	104,523
Goodwill		7,339	8,848	4,535	6,203
Future income tax benefit	5	458	321	1,541	1,025
Long term receivables	15	17	2,635	2,965	118
		76,809	75,284	68,680	156,601
Current Assets					
Cash in bank		-	6	-	1
Accounts receivable and prepayments	16	70,039	78,025	52,989	63,318
Inventories	17	78,084	86,060	55,468	67,916
Tax refund due		-	404	638	845
		148,123	164,495	109,095	132,080
		\$224,932	\$239,779	\$177,775	\$288,681

On behalf of the Board.

Dated 30 July 1998.



Dr R L Every, Chairman



Mr N Calavrias, Chief Executive Officer

The accompanying notes form part of and are to be read in conjunction with these financial statements.

STATEMENT OF CASH FLOWS

of Steel & Tube Holdings Limited and its subsidiaries for
the twelve months ended 31 May 1998

	Group		Parent	
	1998 12 months (\$000)	1997 11 months (\$000)	1998 12 months (\$000)	1997 11 months (\$000)
Cash Flows From Operating Activities				
Cash was provided from/(applied to):				
Receipts from customers	397,815	388,368	295,720	318,127
Interest received	297	442	288	438
Payments to suppliers and employees	(352,567)	(363,894)	(258,829)	(292,164)
Income taxes paid	(7,351)	(10,014)	(4,940)	(8,630)
Interest paid	(5,386)	(4,425)	(3,997)	(3,567)
Net cash flow from operating activities	32,808	10,477	28,242	14,204
Cash Flows From Investing Activities				
Cash was provided from/(applied to):				
Sale of fixed assets	8,571	6,763	8,530	6,724
Sale of investment	362	-	362	-
Purchase of fixed assets	(10,350)	(20,617)	(7,005)	(18,147)
Net cash flow (to)/from investing activities	(1,417)	(13,854)	1,887	(11,423)
Cash Flows From Financing Activities				
Cash was provided from/(applied to):				
Proceeds from call on shares	228	519	228	519
Net proceeds from total borrowings	-	15,760	-	12,500
Net settlement from total borrowings	(15,873)	-	(15,000)	-
Dividends paid	(14,870)	(17,447)	(14,870)	(17,447)
Net cash flow to financing activities	(30,515)	(1,168)	(29,642)	(4,428)
Net cash flow	876	(4,545)	487	(1,647)
Opening cash brought forward	(5,383)	(838)	(3,129)	(1,482)
Closing cash carried forward	\$(4,507)	\$(5,383)	\$(2,642)	\$(3,129)
Cash is comprised of:				
Cash in bank	-	6	-	1
Bank overdraft	(4,507)	(5,389)	(2,642)	(3,130)
	\$(4,507)	\$(5,383)	\$(2,642)	\$(3,129)

The accompanying notes form part of and are to be read in conjunction with these financial statements.

STATEMENT OF CASH FLOWS (continued)

of Steel & Tube Holdings Limited and its subsidiaries for
the twelve months ended 31 May 1998

	Group		Parent	
	1998 12 months (\$000)	1997 11 months (\$000)	1998 12 months (\$000)	1997 11 months (\$000)
Reconciliation of Profit After Taxation				
To Cash Flow From Operating Activities				
Profit after taxation	13,343	20,283	10,854	19,173
Add/(Less) items classified as Investing or Financing activities:				
Net loss/(gain) on sale of fixed assets	14	(1,105)	14	(1,111)
	14	(1,105)	14	(1,111)
Add non cash items:				
Depreciation	6,547	5,193	5,142	4,297
Amortisation of goodwill	2,047	1,807	1,668	1,529
(Increase)/decrease in future income tax benefit	(137)	476	(516)	495
	8,457	7,476	6,294	6,321
Movements in working capital items:				
Increase/(decrease) in income tax payable	428	(354)	207	(401)
Decrease/(increase) in accounts receivable and prepayments	7,986	(981)	10,329	1,042
Decrease in accounts payable and provisions	(6,156)	(2,969)	(5,266)	(2,682)
Decrease/(increase) in inventories	7,976	(13,848)	12,448	(10,283)
Movements in working capital classified as investing or financing activities	760	1,975	(6,638)	2,145
	10,994	(16,177)	11,080	(10,179)
Net cash flow from operating activities	\$32,808	\$10,477	\$28,242	\$14,204

The accompanying notes form part of and are to be read in conjunction with these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

of Steel & Tube Holdings Limited and its subsidiaries for
the twelve months ended 31 May 1998

1. Statement of Accounting Policies

These financial statements are presented and 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.

A. General Accounting Policies

The preparation and reporting of these financial statements is based on the historical cost method, modified by the revaluation of certain assets.

B. Specific Accounting Policies

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

(a) Basis of Consolidation

The consolidated financial statements are prepared from the financial statements of the Parent Company and its subsidiaries as at 31 May 1998 using the purchase method. All significant transactions between Group companies are eliminated on consolidation.

(b) Sales

Sales shown in the Statement of Financial Performance 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.

(c) Goodwill

The excess of cost over the fair value of the net assets of subsidiaries acquired is capitalised as goodwill and is amortised over a period of 10 years.

(d) 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.

Until 1991 land and buildings were revalued to 90% of the market value for existing use or at a lesser value as considered appropriate by the Directors. Since 1992 land and buildings have been carried at cost.

(e) Depreciation

Depreciation is charged on a straight line basis to write off the cost or valuation of the fixed assets over their estimated useful life as follows:

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

Land and capital work in progress are not depreciated.

(f) Investments

Investments in subsidiaries are revalued to reflect the Parent Company's share of their net underlying assets. Other investments are at valuation. Dividend income is accounted for on a cash basis. Interest and rental income are accounted for as earned.

(g) Inventories

Stock is valued at the lower of cost or net realisable value. Cost is established principally on the average cost method which approximates actual cost determined on a first in first out basis. Manufactured goods are valued at direct costs of labour, materials and overheads. 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

of Steel & Tube Holdings Limited and its subsidiaries for
the twelve months ended 31 May 1998

(h) *Debtors*

Debtors are recorded at the estimated realisable value after providing against debts where collection is doubtful.

(i) *Taxation*

The liability method of accounting for deferred tax 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.

Future income tax benefits from timing differences or losses carried forward are recognised in the financial statements only where there is virtual certainty that the tax benefits or losses are able to be utilised by the Group.

(j) *Lease Commitments*

Operating lease commitments are charged as expenses in the periods in which they are incurred.

(k) *Foreign Currencies*

Foreign currency transactions are converted at the exchange rates at the date the transaction is entered into 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.

The financial statements of independent foreign operations are converted to New Zealand dollars at the rate of exchange ruling at balance date. Translation gains and losses are taken to a foreign currency translation reserve.

(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.

C. Changes in Accounting Policies

There has been no material change in accounting policies during the period.

2. Business Activity During the Period

The principal business activity of the Group during the period was the processing, fabrication and distribution of steel products.

NOTES TO THE FINANCIAL STATEMENTS (continued)
of Steel & Tube Holdings Limited and its subsidiaries for
the twelve months ended 31 May 1998

	Group		Parent	
	1998 12 months (\$000)	1997 11 months (\$000)	1998 12 months (\$000)	1997 11 months (\$000)
3. Profit before taxation				
Profit before taxation is stated:				
<i>After charging/(crediting):</i>				
Amortisation of goodwill	2,047	1,807	1,668	1,529
Auditors' remuneration – audit services	262	261	231	228
– other services	348	369	342	369
Bad debts written off	906	641	534	589
(Decrease)/increase in provision for doubtful debts	-	21	-	(130)
Depreciation	6,547	5,193	5,142	4,297
Directors' fees	139	130	139	130
Donations	10	23	8	23
Interest paid	5,386	4,425	3,997	3,567
Interest income	(297)	(442)	(288)	(438)
Net loss/(gain) on disposal of assets	14	(1,105)	14	(1,111)
Rent and leasing costs	5,010	3,493	3,908	3,146
Writedown of properties held for sale	-	220	-	220

4. Tax expense

Profit before taxation	\$21,923	\$32,114	\$16,736	\$29,493
Tax at 33%	7,234	10,598	5,523	9,733
Add/(less) tax effect of:				
Non-assessable income	-	(251)	-	(251)
Non-deductible expenditure	989	974	650	749
(Over)/under provision in prior periods	(309)	201	(291)	89
Adjustment for tax at other rates	666	309	-	-
	\$8,580	\$11,831	\$5,882	\$10,320

The tax expense is represented by:

Tax payable in respect of the current period	8,717	11,355	6,398	9,825
Transferred (to)/from future income tax benefit	(137)	476	(516)	495
	\$8,580	\$11,831	\$5,882	\$10,320

5. Future income tax benefit

Future income tax benefit at the beginning of the period	321	797	1,025	1,520
Transferred from/(to) tax expense	137	(476)	516	(495)
Future income tax benefit at the end of the period	\$458	\$321	\$1,541	\$1,025

NOTES TO THE FINANCIAL STATEMENTS (continued)

of Steel & Tube Holdings Limited and its subsidiaries for
the twelve months ended 31 May 1998

	Group and Parent	
	1998	1997
	(\$000)	(\$000)
6. Dividends paid and declared		
Interim dividend paid of 7 cents per share (1997: 10 cents per share)	6,138	8,732
Final dividend declared of 7 cents per share (1997: 10 cents per share)	6,141	8,732
	<u>\$12,279</u>	<u>\$17,464</u>
7. Imputation credit account		
Balance at the beginning of the period	15,442	13,007
Add/(less):		
Income tax paid	4,940	8,630
Transferred from subsidiaries	555	662
Imputation credits attached to dividends received	9	5
Imputation credits attached to dividends paid to shareholders	(20,403)	(6,862)
	<u>\$543</u>	<u>\$15,442</u>
Imputation credits directly and indirectly available to the shareholders at 31 May:		
Parent	543	15,442
Subsidiaries	762	917
	<u>\$1,305</u>	<u>\$16,359</u>
8. Paid up capital		
Issued and paid up capital at the beginning of the period	69,084	68,565
Issued to senior executives' share scheme	2	25
Call on senior executives' share scheme	226	494
Issued and paid up capital at the end of the period	<u>\$69,312</u>	<u>\$69,084</u>
Ordinary shares on issue at the end of the period	<u>88,190,366</u>	<u>44,005,183</u>

A Bonus Issue of one ordinary share for each ordinary share was made on 19 September 1997, which increased the number of shares by 44,005,183.

Holders of ordinary shares have the following rights:

- the right to receive notice of and attend and vote at a meeting of shareholders of the company on any resolution. Each share is entitled to one vote.
- the right to an equal share in the dividends on a per share basis.
- the right to an equal share in the distribution of surplus assets on a per share basis.

Shares issued under the Senior Executives' Share Scheme qualify for bonus and cash issues but do not have dividend or voting entitlements until the shares are fully paid.

NOTES TO THE FINANCIAL STATEMENTS (continued)
of Steel & Tube Holdings Limited and its subsidiaries for
the twelve months ended 31 May 1998

	Group		Parent	
	1998	1997	1998	1997
	(\$000)	(\$000)	(\$000)	(\$000)
9. Reserves				
Assets revaluation reserve				
Balance at the beginning of the period	-	-	359	-
Revaluation during the period	-	-	3,498	359
Balance at the end of the period	-	-	3,857	359
Foreign currency translation reserve				
Balance at the beginning of the period	(835)	(543)	-	-
Movements during the period	2,415	(292)	-	-
Balance at the end of the period	1,580	(835)	-	-
Total reserves at the end of the period	\$1,580	(\$835)	\$3,857	\$359

10. Non current liabilities

Bank term loans	32,900	49,032	20,000	38,500
Advance from subsidiaries	-	-	-	89,862
	32,900	49,032	20,000	128,362
Less bank term loans repayable within one year (Note 11)	(22,900)	(18,500)	(10,000)	(18,500)
	\$10,000	\$30,532	\$10,000	\$109,862

The bank term loans have an average interest rate of 7% per annum and are due for repayment within 1 to 2 years. Advance from subsidiaries are interest free and repayable on demand.

11. Short term borrowings

Bank overdraft	4,507	5,389	2,642	3,130
Bank loans	29,835	24,349	15,000	11,500
Bank term loans repayable within one year (Note 10)	22,900	18,500	10,000	18,500
	\$57,242	\$48,238	\$27,642	\$33,130

Interest rates on bank loans ranged from 3% to 10% during the year (1997: 3% to 10%).

The current portion of bank term loans have the same interest rate as the term portion in Note 10.

The credit facilities provided by the banks are subject to the conditions of the Group's Deed of Negative Pledge.

The overdraft and bank loans can be drawn at any time. The overdraft facilities may be terminated by the bank on demand. Interest rates on all facilities are variable.

The bank facility arranged with the Bank of America for A J Forsyth & Company Limited has been guaranteed by Steel & Tube Holdings Limited and The Broken Hill Proprietary Company Limited. At year end the value of A J Forsyth & Company Limited loans from the Bank of America was \$27.7 million (1997: \$23.4 million).

NOTES TO THE FINANCIAL STATEMENTS (continued)

of Steel & Tube Holdings Limited and its subsidiaries for
the twelve months ended 31 May 1998

	Group		Parent	
	1998 (\$000)	1997 (\$000)	1998 (\$000)	1997 (\$000)
12. Accounts payable				
Trade creditors	13,856	17,269	8,891	11,660
Provisions and accruals	5,293	7,747	4,790	6,909
Employee entitlements	2,759	3,048	1,982	2,360
	\$21,908	\$28,064	\$15,663	\$20,929
13. Fixed assets				
Freehold land				
At cost	3,254	3,392	3,173	3,300
At Directors' valuation	1,956	2,022	1,698	1,725
	5,210	5,414	4,871	5,025
Leasehold land				
At cost	1,016	799	29	29
At Directors' valuation	4,093	3,402	81	81
	5,109	4,201	110	110
Buildings				
At cost	25,781	22,973	15,545	15,491
Less accumulated depreciation	(4,813)	(3,554)	(767)	(525)
	20,968	19,419	14,778	14,966
At Directors' valuation	6,247	5,944	3,219	3,446
Less accumulated depreciation	(445)	(380)	(445)	(380)
	5,802	5,564	2,774	3,066
Plant and equipment				
At cost	61,942	53,820	45,943	42,233
Less accumulated depreciation	(30,036)	(25,395)	(23,391)	(20,668)
	31,906	28,425	22,552	21,565
	\$68,995	\$63,023	\$45,085	\$44,732

Directors' valuation for the New Zealand properties was at 31 March 1991. Directors estimate that the fair values of the Group's properties are at least equal to their net book values at 31 May 1998.

Included in the net book values of properties as at 31 May 1997 were properties held for sale at their estimated realisable value of \$1.17 million.

The Group held no properties for sale at 31 May 1998.

NOTES TO THE FINANCIAL STATEMENTS (continued)
of Steel & Tube Holdings Limited and its subsidiaries for
the twelve months ended 31 May 1998

	Group		Parent	
	1998	1997	1998	1997
	(\$000)	(\$000)	(\$000)	(\$000)
14. Investments				
Shares in subsidiaries	-	-	14,554	104,066
Other investments	-	457	-	457
	-	\$457	\$14,554	\$104,523

The principal operating subsidiaries are:

	Country of Incorporation	Percentage Shareholding	Principal Activities
David Crozier Limited	New Zealand	100 %	Finance company
EMCO Group Limited	New Zealand	100 %	Finance company
NZMC Limited	New Zealand	100 %	Investment company
Robert Stone (Malaysia) Sdn Bhd	Malaysia	100 %	Investment company
Steel & Tube New Zealand Limited	New Zealand	100 %	Investment company
Stube Industries Limited	New Zealand	100 %	Property company
A J Forsyth & Company Limited	Canada	51 %	Steel distribution and processing

The financial year end of all subsidiaries is 31 May.

15. Long term receivables

Employee share purchase scheme	-	118	-	118
Advance to subsidiaries	-	-	2,965	-
Trade advance	-	2,500	-	-
Other	17	17	-	-
	\$17	\$2,635	\$2,965	\$118

16. Accounts receivable and prepayments

Trade debtors	65,782	68,745	51,445	54,311
Prepayments and other receivables	1,757	9,280	1,544	9,007
Trade advance	2,500	-	-	-
	\$70,039	\$78,025	\$52,989	\$63,318

17. Inventories

Work in progress	3,529	7,986	3,529	7,986
Inventory	74,555	78,074	51,939	59,930
	\$78,084	\$86,060	\$55,468	\$67,916

NOTES TO THE FINANCIAL STATEMENTS (continued)

of Steel & Tube Holdings Limited and its subsidiaries for
the twelve months ended 31 May 1998

	Group		Parent	
	1998	1997	1998	1997
	12 months	11 months	12 months	11 months
	(\$000)	(\$000)	(\$000)	(\$000)

18. Commitments

(a) Operating lease commitments

The Group leases premises with lease terms in excess of one year with the right to renew the lease subject to a redetermination of the lease rental by the lessor. There are no options to purchase in respect of these operating leases.

The aggregate lease commitments are as follows:

(i) Within 1 year	3,974	4,232	3,912	4,170
(ii) Within 1-2 years	3,540	3,858	3,479	3,796
(iii) Within 2-5 years	8,332	9,198	8,147	9,013
(iv) Beyond 5 years	9,865	10,685	9,464	10,222
	<u>25,711</u>	<u>27,973</u>	<u>25,002</u>	<u>27,201</u>

(b) Capital commitments

The Group has capital commitments of \$0.79 million (1997: \$2.93 million).

19. Related Party Transactions

Steel & Tube Holdings Limited is a 50.01% (1997: 50.11%) subsidiary of Tubemakers of New Zealand Limited. Tubemakers of New Zealand Limited is controlled by The Broken Hill Proprietary Company Limited (BHP).

The Group sourced 22.3% (1997: 26.0%) of its purchases from BHP Group. At 31 May 1998 the Group owed BHP Group \$6.81 million (1997: \$4.86 million) paid in June 1998. All transactions with BHP Group are conducted on an arm's length basis and normal commercial terms.

20. Contingent Liabilities

Guarantees under contracts and other contingent liabilities of the Parent and Group total \$3.62 million (1997: \$3.09 million). These have been entered into in the ordinary course of business.

The company has a contractual dispute with Transfield Power Systems (a division of Transfield Proprietary Limited). After considering the possible outcomes Directors believe that the financial statements reflect an appropriate valuation for this contract.

21. Employee Share Purchase Scheme

The Employee Share Purchase Scheme was established in June 1983 to offer shares to employees on terms consistent with the provisions of s166 of the Income Tax Act 1976.

The Scheme is available to all full-time permanent employees who have completed at least twelve months of continuous service with the Company. Directors are not eligible to participate in the Scheme. Eligible employees are able to purchase shares to a total value of \$2,340 per employee on an interest free basis for a period of three years. The shares allocated to eligible employees will not be vested until the expiry of the later of the three year period or the full repayment of the loan by the employees. The Trustees, pursuant to a Trust Deed, will administer the shares in the Scheme until ownership of the shares is vested with the employee.

The Trustees of the Scheme are Mr N Calavrias, Mr A S Paterson and Mr A C Candy who were appointed by the Board of Directors.

In July 1995 a Fourth Offer of shares was made to eligible employees. The shares were issued at a price of \$6.20 per share set by the Board of Directors. The total number of shares issued was 64,650 shares. These shares rank equally with all other shares in respect of voting rights and dividend entitlements.

At 31 May 1998 the Scheme held 127,200 ordinary fully paid shares (1997: 64,300)* of which 25,500 shares are unallocated. Voting rights attached to the shares held by the Trustees are exercisable solely at their discretion until they are vested with the employees. The shares issued in the Fourth Offer represent 0.14% of the total issued capital at 31 May 1998.

The Scheme's share purchase was funded by an interest free loan from Steel & Tube Holdings Limited. The principal outstanding at 31 May 1998 is \$165,830 and is reduced by proceeds from employees' contributions on a regular basis. The loan will be repaid by September 1998.

*The significant increase in the number of shares held by the Scheme compared to last year is due to the Bonus Issue made on 19 September 1997 (refer to Note 8).

NOTES TO THE FINANCIAL STATEMENTS (continued)
of Steel & Tube Holdings Limited and its subsidiaries for
the twelve months ended 31 May 1998

	New Zealand processing, fabrication and distribution of steel products		Canadian processing, fabrication and distribution of steel products		Group	
	1998 12 months (\$000)	1997 11 months (\$000)	1998 12 months (\$000)	1997 11 months (\$000)	1998 12 months (\$000)	1997 11 months (\$000)

22. Segment Information

Geographical segments						
Total sales	\$293,163	\$314,751	\$102,052	\$72,225	\$395,215	\$386,976
Segment result	\$20,438	\$32,576	\$6,574	\$3,521	\$27,012	\$36,097
Net interest expense					(5,089)	(3,983)
Taxation					(8,580)	(11,831)
Total unallocated expenses					(13,669)	(15,814)
Profit after taxation					13,343	20,283
Minority interest					(1,406)	(695)
Profit for the year attributable to shareholders					\$11,937	\$19,588
Segment assets	\$162,486	\$184,588	\$62,446	\$55,191	\$224,932	\$239,779

23. Financial instruments

(a) Currency and interest rate risk

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 by using forward and spot foreign exchange contracts.

The net notional amount of forward foreign exchange contracts of the Parent and Group outstanding at 31 May 1998 is \$3.77 million (1997: \$7.70 million).

(ii) Interest Rate

The Group uses both short term floating and long term fixed rate borrowings to fund ongoing activities.

(iii) Concentration of Credit Risk

In the normal course of its business the Group incurs credit risk from trade debtors and transactions with financial institutions. 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 has no significant concentrations of credit risk, and does not require any collateral or security to support financial instruments held with financial institutions due to the quality of the institutions dealt with.

NOTES TO THE FINANCIAL STATEMENTS (continued)

of Steel & Tube Holdings Limited and its subsidiaries for
the twelve months ended 31 May 1998

(b) Fair Values

The estimated fair values of the Group's financial assets and liabilities which differ from their carrying value are noted below:

	1998		1997	
	Carrying Value \$000	Fair Value \$000	Carrying Value \$000	Fair Value \$000
Parent Company				
Bank term loans	(10,000)	(9,955)	(20,000)	(20,030)
Foreign exchange contracts	-	124	-	4
Group				
Bank term loans	(10,000)	(9,955)	(30,532)	(30,467)
Foreign exchange contracts	-	124	-	4

The Group anticipates that bank term loans will be held to maturity and therefore settlement at the fair value is unlikely.

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

Cash, Accounts Receivable, Bank Overdraft, Accounts Payable, Short Term Loans, and Advances from Subsidiaries

The carrying values of these items are equivalent to the fair values, and therefore, are excluded from the above table.

Unlisted Investments

The fair value is estimated to be the net asset backing.

Bank Term Loans

The fair value is estimated on current market rates available to the Group for debt of similar maturities.

Foreign Exchange Contracts

The fair value is estimated on the quoted market prices for these instruments.

AUDITORS' REPORT TO THE SHAREHOLDERS OF STEEL & TUBE HOLDINGS LIMITED

We have audited the financial statements on pages 10 to 23. The financial statements provide information about the past financial performance and financial position of the Company and Group as at 31 May 1998. This information is stated in accordance with the accounting policies set out on pages 14 to 15.

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 31 May 1998 and the results of operations and cash flows for the year ended on that date.

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 fraud or error. 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 areas of taxation and other assurance services. Other than in these capacities and in our capacity as auditors, we have no relationships with, or interests in, the Company or any of its subsidiaries.

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 10 to 23.
 - comply with generally accepted accounting practice; and
 - give a true and fair view of the financial position of the Company and Group as at 31 May 1998 and the results of their operations and cash flows for the year ended on that date.

Our audit was completed on 1 September 1998 and our unqualified opinion is expressed as at that date.

PriceWaterhouseCoopers

Chartered Accountants
WELLINGTON

COMPARATIVE REVIEW

of Steel & Tube Holdings Limited and its subsidiaries

	1998 12 months (\$000)	1997 11 months (\$000)	1996 12 months (\$000)	1995 12 months (\$000)	1994 15 months (\$000)
Financial Performance					
Sales	395,215	386,976	355,120	335,744	367,325
Profit before tax	21,923	32,114	38,711	43,598	39,319
Tax	8,580	11,831	13,564	14,629	11,771
Profit after tax	13,343	20,283	25,147	28,969	27,548
Minority interest	(1,406)	(695)	185	(1,541)	(1,179)
Total Group profit after tax	11,937	19,588	25,332	27,428	26,369
Dividends	(12,279)	(17,464)	(17,430)	(17,397)	(17,375)
Transfer from revaluation of asset reserves	-	-	-	-	24
Increase in retained earnings	\$(342)	\$2,124	\$7,902	\$10,031	\$9,018
Financial Position					
Paid up capital	\$69,312	\$69,084	\$68,565	\$68,163	\$67,809
Current assets	148,123	164,495	150,766	108,685	113,851
Current liabilities	85,315	85,034	81,167	53,542	55,429
Net current assets	\$62,808	\$79,461	\$69,599	\$55,143	\$58,422
Total assets	224,932	239,779	220,916	159,458	163,354
Total liabilities	95,315	115,566	99,667	53,542	65,429
Minority interest	11,288	8,185	7,572	-	2,394
Shareholders' funds	\$118,329	\$116,028	\$113,677	\$105,916	\$95,531

Statistics

	Note				
Dividends in cents per share	(1)	14.0	20.0	20.0	20.0
Times dividend covered		0.9	1.1	1.5	1.6
Earnings in cents per share	(1) & (2)	13.6	24.5	29.1	31.5
Percentage return on:					
Sales		3.0	5.1	7.1	8.2
Shareholders' funds at period end	(2)	10.1	18.4	22.3	25.9
Current assets to current liabilities		1.7:1	1.9:1	1.9:1	2.0:1
Net assets in cents per share		135	133	130	122
Shareholders' funds to total assets (%)		53	48	51	66
Number of ordinary shareholders		5,898	5,148	5,075	4,609
Number of employees at period end		1,042	1,255	1,105	648

Note:

- (1) 1997 and prior years' figures have been adjusted to reflect the effects of the one for one bonus issue
- (2) The earnings in cents per share, and percentage return on shareholders' funds at period end have been annualised for the periods ended 31 May 1997 and 30 June 1994.

STATUTORY INFORMATION

Indemnification and Insurance of Directors and Officers

The Constitution of the Company provides for the Company or any related company to indemnify every Director or Officer out of the assets of the Company to the maximum extent permitted at law. The Group has taken out Directors' and Officers' Liability Insurance which ensures that the individuals concerned will incur no monetary loss as a result of actions undertaken by them in good faith in performing their normal duties.

Interested Transactions

All transactions conducted by the Group with The Broken Hill Proprietary Company Limited ("BHP") are interested transactions. Details of these are given in Note 19 to the financial statements.

Remuneration of Directors

Total remuneration and benefits received or due and receivable in the year ended 31 May were:

	(\$000)
R L Every	47
N Calavrias	407
B L Carrasco	7
B M J Dineen	25
P L Muller	23
G M Parker	9
A S Paterson	28

Use of Company Information

There were no notices from Directors of the Company requesting to use Company information received in their capacity as Directors, which would not otherwise have been available to them.

Remuneration of Employees

Total remuneration and benefits received, or due and receivable at 31 May were within the following bands:

	No. of Employees in Each Band	
	Group 1998 12 Months	Parent 1998 12 Months
Remuneration Range for Employees		
\$110,000 - \$119,999	1	1
\$130,000 - \$139,999	1	1
\$140,000 - \$149,999	6	5
\$180,000 - \$190,000	1	-
\$240,000 - \$250,000	1	-

SHAREHOLDER STATISTICS

of Steel & Tube Holdings Limited as at 18 August 1998

Census of Shareholders

Size of Holdings	No. of Shareholders	No. of Shares	%
1 - 499	1,296	260,386	0.30
500 - 999	986	666,075	0.76
1,000 - 4,999	2,577	5,673,824	6.43
5,000 - 9,999	583	3,748,798	4.25
10,000 - 49,999	392	6,279,305	7.12
50,000 - 99,999	24	1,544,504	1.75
Over 100,000	40	70,017,474	79.39
	5,898	88,190,366	100.00

Twenty Largest Shareholders

The twenty largest shareholders holding 74.7% of the issued shares are as follows :

Tubemakers of New Zealand Limited	44,107,240	50.01
ANZ Nominees Limited	7,891,167	8.95
National Nominees New Zealand Limited	2,658,858	3.01
Accident Rehabilitation and Compensation Insurance Corporation	1,920,000	2.18
Tracker Nominees - AMP Investments Tracker Nominees	1,310,027	1.49
National Mutual Life Association of Australasia Limited A Account	1,191,598	1.35
The Public Trustee - A/c GIF No. 41	975,356	1.11
Guardian Assurance Limited - Equity Fund	700,000	0.79
Guardian Assurance Limited - Saveguard One Fund	700,000	0.79
BT NZ Unit Trusts Nominees Limited	543,829	0.62
Norwich Union Life Insurance (NZ) Limited - Main Fund	496,300	0.56
The Trustees Executors and Agency Company of New Zealand Limited	469,603	0.53
The NZ Guardian Trust Co. Limited - NZI Investment Nominees Limited	457,012	0.52
Nicholas and Mariana Calavrias Family Trust	450,000	0.51
The NZ Guardian Trust Co. Limited - Guardian Trust Investment Limited	383,126	0.43
Athene Nominees Limited	370,000	0.42
Westpac Superannuation Nominees NZ Ltd	344,350	0.39
Citibank Nominees (New Zealand) Limited	317,418	0.36
NMFM Nominees Limited A Account	310,215	0.35
Guardian Assurance Limited (Life Fund)	300,000	0.34

SUBSTANTIAL SECURITY HOLDERS

of Steel & Tube Holdings Limited as at 18 August 1998

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 18 August 1998 are as follows:

Name	Fully Paid Ordinary Shares Held	Percentage of Total Shares on Issue
Tubemakers of Australia Limited	44,107,240	50.01

Securities on issue comprise:

Fully paid ordinary shares carrying full voting rights	87,726,366
Senior Executives' shares partly paid to one cent	464,000

SHAREHOLDER STATISTICS (continued)

of Steel & Tube Holdings Limited as at 18 August 1998

Directors' Shareholding

	As at 31 May 1998 ^[1]			As at 31 May 1997		
	Beneficial	Non Beneficial	Associated Person	Beneficial	Non Beneficial	Associated Person
N Calavrias	340,000 ^[2]	127,200 ^[3]	450,000	130,000 ^[2]	64,300 ^[3]	225,000
B L Carrasco	-	-	44,107,240 ^[4]	-	-	-
B M J Dineen	40,000	-	-	12,000	-	-
R L Every	6,000	-	44,107,240 ^[4]	3,000	-	22,053,620 ^[4]
P L Muller	4,000	-	44,107,240 ^[4]	-	-	22,053,620 ^[4]
G M Parker	-	-	-	2,000	-	22,053,620 ^[4]
A S Paterson	15,000	127,200 ^[3]	14,000	5,000	64,300 ^[2]	4,000

[1] Including the one for one bonus issue.

[2] Includes shares partly paid up to one cent held under the Senior Executives' Share Scheme 1993, 80,000 of which were issued during the year following shareholder approval at the Annual General Meeting.

[3] Shares held in a non beneficial capacity as Trustees of the Employee Share Purchase Scheme.

[4] Messrs Carrasco, Every, Muller and Parker are associated persons of Tubemakers of Australia Limited by virtue of their positions as Directors or employees of certain of its related companies or as appointees of these companies as Directors of the Company.

Share Dealings by Directors

Between 28 July and 5 August 1997, Mr A S Paterson purchased 2,500 shares in the Company for a consideration of \$17,910.

On 12 September 1997, Mr P L Muller purchased 2,000 ordinary shares in the Company for a consideration of \$14,700.

On 4 March 1998 Mr B M J Dineen purchased 16,000 ordinary shares in the Company for a consideration of \$32,800

Messrs Every, Carrasco, Muller and Dineen have disclosed that they hold shares and/or options in The Broken Hill Proprietary Company Limited.

BUSINESS LOCATIONS

Processing, Fabrication and Distribution Locations in New Zealand and Canada



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

>> STEEL DISTRIBUTION & PROCESSING

15-17 Kings Crescent, Lower Hutt
Private Box 30-543, Lower Hutt

Chief Executive Officer Mr N Calavrias

>> REINFORCING & FABRICATION

15-17 Kings Crescent, Lower Hutt
Private Box 38-337, Wellington Mail Centre

General Manager Mr R J O'Neill

>> ENGINEERING AND FABRICATION

492 Great South Road, Otahuhu, Auckland
PO Box 40, Auckland

General Manager Mr T Gibbons

>> A J FORSYTH & COMPANY LIMITED

830 Carlisle Road, New Westminster
Vancouver, Canada

President Mr D Thomas

>> AUDITORS

PricewaterhouseCoopers

>> SHARE REGISTRY

Corporate Registry Services Limited

>> PRINCIPAL BANKERS

ANZ Banking Group (New Zealand) Limited
National Bank of New Zealand Limited
Bank of America, Canada

