



Shareholder
Review 2013





Gaining Momentum

Steel & Tube Holdings Limited reported a Group net profit of \$15.6 million for the 2013 financial year, up 19% from last year. Earnings per share also rose by 19% to finish at 17.8 cents.

As these results indicate, despite flat economic conditions, the business continues to perform well. Steel & Tube has a strong record of quality earnings, increasing dividends and year-on-year profit growth. Steel & Tube's return to the New Zealand Stock Exchange's top 50 listed companies – the NZX 50 – also reflects the business's on-going performance.

The Board is committed to providing shareholders with a consistent dividend stream and on the back of our positive financial position, we have declared a final dividend of 8.5 cents per share, bringing total dividends for the year to \$13.27 million.

It's important to acknowledge that the growth reflects the efforts of Chief Executive Officer Dave Taylor and the Lead Team, who are doing an excellent job in establishing a solid platform for performance. Under One Company, they have maximised the advantages of a diversified product range, and made significant advances in inventory knowledge and management — underpinning greatly enhanced supply chain systems. Similarly, investment in new facilities and processing capability has supported further improvements in collaboration, productivity and customer service, right across the business.



The Board From left to right

- Sir John Anderson** - Chairman and Independent Director
- Rosemary Warnock** - Independent Director
- Dave Taylor** - Chief Executive Officer and Non-independent Director
- Janine Smith** - Independent Director
- Dean Pritchard** - Independent Director
- Anne Urlwin** - Independent Director

The Board also extends sincere thanks to all Steel & Tube staff for their continued commitment to supporting the changes to the way the Company operates. Looking towards 2014, the momentum is set to continue. Despite an uncertain global economy, Steel & Tube is well positioned to take full advantage of growth opportunities as the New Zealand building and construction industry recovers, particularly in Christchurch and Auckland, and as confidence returns to the economy.

Sir John Anderson Chairman

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Steel & Tube delivered a solid performance in 2013. Despite a competitive environment, the business held volumes and lifted margins and I'm pleased to announce an after tax profit of \$15.6 million for the year, up 19% on our 2012 result.

Strong Foundation For Growth

Drive For Customer Benefits

This increase is due, in part, to our One Company approach gaining momentum and bringing greater efficiencies to the business. Customers are recognising the benefits and opportunities the unified business model has to offer and several new customer partnerships were formed during the year.

We continued to enhance Steel & Tube's supply chain and, with much of the foundation work now complete, we're in a strong position to improve overall business effectiveness in 2014 and beyond.

We also made investments in key plant and equipment. Our new leading-edge plate-processing machinery in Auckland has capacity to serve the entire North Island. In Christchurch, additions to our wire-processing plant have increased our seismic-mesh capacity and our new dual-roll-forming machine have complemented our range in anticipation of the commercial rebuild.

In Nelson and Hamilton we consolidated our distribution and processing facilities into new, single-site operations in order to improve efficiency and better meet the entire needs of customers. Our National Support Centre also moved to a single, purpose-built location in Petone to underpin our One Company culture and working environment.

✦
\$12.7M

NET DEBT REDUCTION
TO \$23.6M ON 30 JUNE 2013
COMPARED TO \$36.3M LAST YEAR.

✦
41%

HEALTH & SAFETY IMPROVEMENT
41% REDUCTION IN THE MEDICAL
TREATMENT INCIDENT FREQUENCY RATE.

✦
25%

INCREASED TOTAL DIVIDEND
TOTAL DIVIDEND DECLARED INCREASED
TO 15 CENTS UP FROM 12 CENTS ON THE
PRIOR YEAR.

Investing In Our People

Steel & Tube has always placed the highest priority on the health and safety of its staff, contractors and visitors. Our people face high-risk activities and we remain vigilant in our effort to identify and minimise activities that may lead to injury and harm in the workplace. Our effort to bring about behavioural change and drive the organisation towards appropriate and safe practices was rewarded. Over the past 12 months, workplace medical treatment incidents dropped by 41% when compared to last year.

We also continued to develop our people and workplace culture with investments in staff values, capability and competency. I'm pleased to report that this commitment is reflected in the latest employee engagement survey, which showed improvement across all areas of the business.

Recovery And Growth

The New Zealand economy appears to be slowly gaining momentum across an increasingly broad range of sectors. Clearly, the big opportunity for Steel & Tube is the Christchurch rebuild and while residential and infrastructure activities continue to offer growth in certain products, we await for the commercial rebuild to decisively commence.

Outside Christchurch, residential consents continued to increase in most regions, Auckland especially. Non-residential consents also increased, but to a lesser degree. While this activity boosted our residential roofing and reinforcing activity throughout the year, commercial activity is unlikely to impact until 2014 and beyond.

The Company's many initiatives, including One Company, staff engagement, supply chain and people development are progressing well and continue to position Steel & Tube to realise the opportunities from a varied but slowly improving external environment. With excellent cash flows, increasing performance and a very strong balance sheet, the Company is well positioned for expansion and growth.

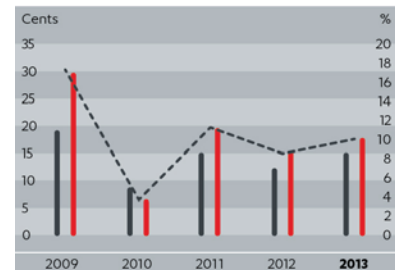
Steel & Tube has an enviable reputation for excellence in the New Zealand building and construction industry and, as we approach our 60th year in business, we have built strong foundations that will enable us to continue this remarkable tradition for many decades to come.



Dave Taylor Chief Executive Officer

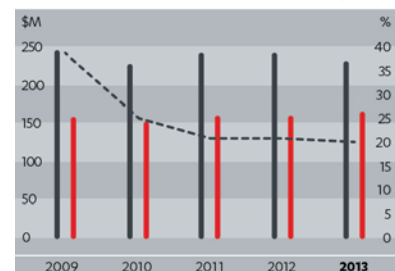
Shareholder Returns

— DIVIDENDS PER SHARE
— EARNINGS PER SHARE
-- RETURN ON EQUITY (RHS)*



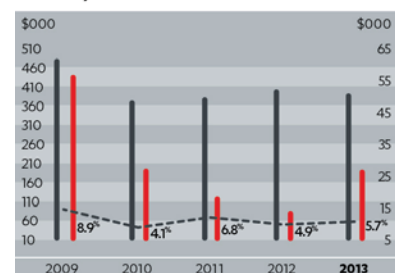
Balance Sheet

— ASSETS
— EQUITY
-- DEBT/DEBT AND EQUITY RATIO (RHS)*



Revenue and Cashflow

— REVENUE
— OPERATING CASHFLOW (RHS)*
-- EBIT/SALES



* (RHS) Right Hand Side.



Dennis Boyle
General Manager
Supply Chain

Roger O'Neill
General Manager
Processing

Dave Clegg
General Manager
Human Resources

Dave Taylor
Chief Executive Officer and
Non-independent Director

Janie Elrick
Chief Financial Officer
and Company Secretary

Andy Millard
General Manager
Distribution

Brett Douglas
General Manager
Marketing

Leading One Company

With diverse experience, capability and skills, the Steel & Tube Lead Team is well placed to support and drive performance.

The Steel & Tube Lead Team shares an excitement and passion for advancing our One Company journey.

The Team draws on extensive international and New Zealand experience across steel, dairy, manufacturing, transport and pharmaceutical industries. This diverse experience and capability, combined with each individual's unique strengths and skills, meshes together to meet the leadership needs of a company on a rejuvenation journey.

Recognising that to be effective they must lead by example and be unified in their actions and decisions, the Team proactively reflects on and reviews its team dynamics and performance.

Several facilitated sessions have provided the opportunity for team reflection, further strengthening unity and leadership best practice.

Health and safety is not simply a compliance task for the Steel & Tube Lead Team — it's about keeping our people safe. The entire Team sits on the Health & Safety Committee and all contribute to the health and safety knowledge and culture, across all of our sites.

Our brand is a source of pride for the Lead Team, capturing the essence of the Company and the depth of our collective commitment. The Team is well aware that how the Company behaves determines how our customers perceive our brand.

With this in mind, they continue to support and drive our Values Programme, ensuring consistency in the ways we deliver.

Whatever the situation, the Lead Team retains a sharp focus on delivering performance, balancing the expectations of shareholders against the investment in resources required to effect the substantial changes across the business. They seek the best from all aspects of the business: innovation, supply chain excellence, customer service delivery, and more. Leading a business of over 30,000 products, sales of \$400 million, and 700 committed people at more than 40 locations is an inspiring and rewarding journey.



THE FACTS

±
122,000

122,000 LINEAR METRES OF ST963 MANUFACTURED TO DATE.

44 METRES IS THE LONGEST SINGLE LENGTH OF ST963 MANUFACTURED.

Steel & Tube's new ST963 roofing profile addresses a gap in the market for high strength commercial and residential roofing. It's stronger, so it's resistant to damage from foot traffic during construction; it's easier to install, due to being the widest cover-for-profile in its class; and it's cost-effective, providing material and labour savings. The new profile is available in a large variety of colours. And we can produce both ST963 and ST900 profiles on the one machine, for savings in costs and factory space.



MARK WATERMAN

NATIONAL ROOFING MANAGER

"It's an exciting time for Steel & Tube, especially with the introduction of a new dual-roll-forming machine in Christchurch, which follows the success of our Auckland machine. Since I joined the Company in January 2013, there's been a lot of investment in innovation, and technical expertise is continually expanding. I'm very much enjoying working with the roofing team across the country, and meeting with our customers."

Investing In Innovation

Steel & Tube's investment in processing and manufacturing capability in 2013 has enhanced the business's ability to be innovative and deliver a wider range of products, services and solutions.

The addition of a high-speed plate-processing machine at our Auckland production facility greatly extends our capability and efficiency in automated machining.

The machine offers computer-aided component cutting, drilling, tapping, part marking, countersinking, milling and several other custom services. Common line-cutting and efficient nesting techniques also minimise scrap and reduce the cost to customers. The new processing machine is most efficient with high-volume repetitive components

and appeals to customers in manufacturing or heavy engineering, such as structural engineers, farm equipment manufacturers and specialist fabricators.

We have also invested in a state-of-the-art roll-forming machine based at our Christchurch production facility. The dual-level machine greatly expands our capacity to manufacture our ST900 and innovative new ST963 metal roofing profiles and comes in response to Canterbury's growing demand for high-quality steel roofing products.

The new machine employs a unique hands-free steel management system. This automatically feeds de-coiled steel into the roll-former and eliminates the need for an operator to manually guide metal into the front of the machine. Manual feeding can be a dangerous and unpredictable process, making the new machine safer and more efficient to use.

The roll-forming machine is part of a substantial investment to strengthen our roofing, wire-processing and reinforcing capability in the Canterbury region.

Standing Strong In Christchurch

We've added significant resources to our Canterbury operation to support the people and businesses of Christchurch as the rebuild gains momentum.

We have made substantial investments in new plant and equipment to expand our wire-processing, roofing and reinforcing capability – to deliver a wider range of solutions in greater volumes to our Christchurch customers. We have reinforced our supply chain infrastructure to provide better service and greater certainty for our Canterbury customers when purchasing products, and we're fully prepared to support the region as the rebuild ramps up.

But it doesn't stop there. Steel & Tube has a long history of commitment to Canterbury. We're continually looking for ways to support the local community and give something back to the people of Canterbury.

This year, 114 lucky Christchurch children had the chance to meet players from the Crusaders and develop their game at Steel & Tube's Crusaders Kids' Skills Session.

The evening was a fantastic opportunity for the families of Steel & Tube's customers and staff to spend time with Israel Dagg, Sam Whitelock, Luke Romano and Robbie Fruean, and participate in fun skills sessions, training tips and drills to help the children improve their game. Kids of all ages also had the opportunity to ask the players questions, collect autographs and pose for photographs with their heroes. It was a chance for us to engage socially with our customers.

In many ways, the Crusaders' winning formula of teamwork and strength in the face of adversity embodies the attitude in Canterbury and reflects our own culture and dedication to building a stronger city.





THE FACTS

Our business has a long and proud association with Canterbury. Our Christchurch sites have been in operation and supplying steel products to the region for some 60 years. In addition, for almost 80 years, Christchurch has been the manufacturing home of New Zealand's iconic Hurricane rural brand.

✦ 130 staff

STEEL & TUBE HAS 130 STAFF WORKING IN 5 SITES IN CHRISTCHURCH.

✦ 60 Years

STEEL & TUBE HAS BEEN OPERATING IN CHRISTCHURCH FOR 60 YEARS.



DAVE ALLINGHAM

AREA MANAGER - CHRISTCHURCH & TIMARU

"As well as structuring the business to cope with the expected demands of the Canterbury rebuild, we've put significant resource into supporting social and community initiatives. We've been involved in a huge range of community activities including several Gap Filler projects, Art Box, Hurunui Trails, and a raft of smaller initiatives, to help get the community back on its feet. We're proud to support the Crusaders, as a great representative of the Canterbury spirit of strength through adversity. For the 2013 season, we had customers and staff at every home game. We also had the opportunity to run an event with some of the Crusaders' key players for children of our customers and staff. We hope all these activities have helped provide a fun and beneficial distraction to the sometimes challenging times that a lot of Canterbury residents still face."



THE FACTS

Steel & Tube has over 700 staff across 40 sites nationwide. To track and drive effective progress, every two years we run a staff survey.

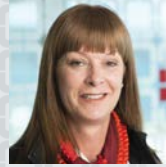
Latest results show that staff engagement is up over 5% and collaboration up over 8%.

Compared to our previous survey, staff tell us that workplace culture improved by 8% and alignment with our values strengthened by 6%.

+

1200 Days

LAST YEAR, **MORE THAN 200 STAFF** PARTICIPATED IN OVER **1200 DAYS** OF TRAINING AND COURSES.



MICHELLE PARRY

BUSINESS PARTNER - HUMAN RESOURCES

“Travelling around the country, I’ve seen far more engagement, change and focus on customers. There’s a common purpose and vision. Area Managers, for example, have lifted the bar with performance expectations and how we service customers’ needs. Account Managers are also thinking carefully about customers’ needs and on-site structures to deliver solutions. People are proactively asking for systems to support the performance of the business. A real buzz is starting to happen.”

Developing Our People

With over 700 Steel & Tube staff around New Zealand, our people are the foundation of our business. That’s why we’re fully committed to supporting staff in developing their skills, knowledge and experience.

Our Capabilities Programme is delivering a real shift. Across Steel & Tube, the aim is to identify and prioritise developmental needs, then provide the training programmes and learning opportunities that enable our people to enhance their capabilities.

The first programmes focussed on coaching and performance management, and saw 127 managers and supervisors taking part. During this year, 130 Steel & Tube staff have benefited from a series of tailored sales programmes — enhancing core sales competencies, sales management, consultative selling, and negotiation skills.

Following the mid-2012 rollout of Steel & Tube’s Values Programme, we have continued to refresh the focus, with significant emphasis on key areas such as safety and customer satisfaction. All five of our values — *United, Open, Trusted, Integrity* and *Accountable* — have direct links to our customers and our brand. Collectively, they define the principles that underpin everything we stand for, the way we do business, and what we’re committed to delivering.

Our Capabilities and Values Programmes support the growth of our people who are pivotal to bringing a new generation of sales and customer opportunities to our business. Across our workplaces nationwide, there is now more effective communication, and more participation, engagement and collaboration. That’s a win-win for all of us.

From The Ground Up

Steel & Tube made significant investments in business infrastructure in 2013, which led to enhanced collaboration, greater productivity, and tangible improvements to customer experience and benefits.

We continued to strengthen our national branch network, with major upgrades completed this year in Nelson and, most recently, Hamilton, where our three facilities were consolidated into a single, centralised facility combining reinforcing, roofing and distribution operations. With the business now closely aligned under One Company, the new facility offers customers more convenient Account Management and an enhanced level of service.

Our National Support Centre Team also settled into a single, purpose-built location in Petone. The change enables support staff to be more accessible and collaborative as we strive to work as a truly national operation delivering better outcomes for customers.

We also took the opportunity to invest in greatly enhanced technology and communication services for all our staff nationwide. This will deliver significant cost savings and benefits for customers.

We completely redesigned our website into a single, unified gateway, where users can access a variety of refreshed content, and introduced several new interactive components designed to make the site easier to use. The site also includes a dedicated investor centre, where customers and investors can access corporate publications, NZX 50 Index performance data and other management and governance materials.

The past 12 months also saw Steel & Tube invest in a new nationwide supply chain structure. The change builds on our existing skill base with new systems and expertise, to provide better levels of service and a better experience when purchasing products. For instance, our new replenishment process ensures stock is held at a more consistent level and guarantees that the right product is delivered at the right time in a more efficient manner.



“Our investment in infrastructure is all about being the best we can be as a business, today and into the future.”

THE FACTS

Major branch upgrades were completed in Nelson and Hamilton, and the National Support Centre Team moved into a new purpose-built facility in Petone. In telecommunications, we aim to move the whole business to IP telephony, and this was completed for the National Service Centre, resulting in a huge cost saving. We made further savings by moving all our operational servers, mobile

phones and calling plans to new service providers. At the National Service Centre, and in our Auckland and Christchurch branches, we invested in new mobile video conferencing capability. Such investment in new technology and communication solutions, and in new supply chain infrastructure and procedures, will drive collaboration, productivity and a superior customer experience.



ANDREA GALLIMORE

CHIEF INFORMATION OFFICER

“Our investment in infrastructure is all about being the best we can be as a business, today and into the future. This year, we’ve been focusing on the foundation infrastructure from which we’ll be able to extend our other capabilities. For example, by moving the business to IP telephony systems, we’re opening up more effective collaboration nationwide, while also making a major cost saving. Infrastructure is enabling One Company and yielding both customer and business benefits.”

“Our people are our greatest strength and we have an absolute commitment to their health and safety.”



ALAN DOWNES

HEALTH, SAFETY & ENVIRONMENT MANAGER

“Our people are our greatest strength and we have an absolute commitment to their health and safety — it’s embedded into the culture of the business. As well as programmes like Stop&Take2 and Killers & Life Savers, each month we now have Hookup, to share information about health and safety activities. We’ve also formalised leadership processes to ensure health and safety gets dedicated focus and assessment. Last year, the Company recorded a 50% reduction in lost time injuries, with only two staff nationwide losing more than one shift due to incidents. Our Lost Time Frequency Ratio (LTFR) was 1.4 per million work hours. This was significantly better than the World Steel Association LTFR average of 3.25.”

THE FACTS

Our Health & Safety Team supports frontline staff, reviews systems and standards, and assists with training where needed. During the year, the Health, Safety & Environment Committee was formalised, to ensure Lead Team members dedicate time to health and safety. An Operations Health & Safety Sub-committee was also formalised, to ensure initiatives in operational parts of the business are assessed and effective. These steps add an additional layer of robustness to the process.

Effective Programmes: Killers & Life Savers, Stop&Take2.

Health, Safety & Environment Team support frontline staff responsible for health and safety.

Hookup internal monthly information about health and safety activities.

Annual Health & Safety Awards recognise excellent workplace safety behaviours during the year.



Healthy, Safe And Secure

At Steel & Tube, we place great importance on our health and safety and believe good staff engagement is essential for a safe workplace.

Steel is a dangerous industry. We work hard to encourage a strong health and safety culture, and to ensure the safety of our staff, contractors and visitors remains an absolute priority.

This year, we launched our inaugural Steel & Tube Safety Awards to recognise excellent workplace safety behaviours during the year. Twenty-three finalists from around the country attended a dinner in Wellington where the Company acknowledged their outstanding contribution to health and safety leadership, initiative and action. Finalists' contributions ranged from the commitment of individual staff to ensuring colleagues and customers follow safe practices; to identifying an overhead racking hazard, and developing a solution that guarantees safety.

While we offer incentives to encourage staff toward practising safe behaviour, the genuine enthusiasm for the Awards reflects a heightened awareness of best practice and a fundamental shift within the health and safety culture of the organisation. This shift is also reflected in the 50% drop in lost-time injuries and a 41% drop in medical treatment incidents during the year. Many sites remained completely incident free.

One Steel & Tube initiative to attract considerable external interest this year was our Killers & Life Savers Programme, which was created in response to those activities identified as having the greatest potential to kill or cause severe irreversible disability. National infrastructure operator KiwiRail approached Steel & Tube to learn more about the programme as they were considering developing something similar for their own safety systems. The programme was also presented at the Accident Compensation Corporation's employers seminar, which attracted over three hundred registrants.

Steel & Tube's commitment to workplace health and safety is second to none – it's the hallmark of who we are and what we stand for – and we're proud to lead the industry in these lifesaving endeavours.

+
✓ 50%

50% REDUCTION
IN LOST-TIME INCIDENTS

+
✓ 41%

41% REDUCTION IN MEDICAL
TREATMENT INCIDENTS
DURING THE YEAR

Financial Summary

+

\$8.7M

IMPROVED CASHFLOW

CASHFLOW FROM OPERATING ACTIVITIES WAS \$27.5M COMPARED TO \$18.8M LAST YEAR.

+

\$2.9M

IMPROVED PROFIT BEFORE TAX

INCREASED FROM \$18.3M TO \$21.2M IN THE CURRENT YEAR.

+

^ 19%

IMPROVED EARNINGS PER SHARE

INCREASED FROM 14.9C/SHARE TO 17.8C/SHARE, AN INCREASE OF 19% YEAR ON YEAR.

Summary Statement Of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$000	2012 \$000
Total revenue	394,982	406,217
Expenditure		
Cost of sales	309,516	324,446
Selling expenses	26,914	25,536
Administration expenses	17,410	17,281
Other operating expenses	18,538	18,968
Interest expense	1,412	1,726
Total expenditure	373,790	387,957
Profit before tax	21,192	18,260
Tax expense	(5,607)	(5,133)
Profit for the year attributable to owners of the parent	15,585	13,127
Other comprehensive income - hedging reserve	644	306
Total comprehensive income	16,229	13,433

Summary Statement Of Changes In Equity

FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$000	2012 \$000
Opening balance	152,684	151,971
Profit after tax	15,585	13,127
Other comprehensive income - hedging reserve	644	306
Total comprehensive income	16,229	13,433
Transactions with owners		
Dividends paid	(11,414)	(12,750)
Other	(312)	30
Closing balance	157,187	152,684
Total equity comprises of:		
Share capital	71,594	71,523
Retained earnings	86,859	82,688
Other equity reserves	(1,266)	(1,527)
Total equity	157,187	152,684

The summary financial statements have been derived from the full financial statements.

Summary Statement Of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$000	2012 \$000
Net cash inflow from operating activities	27,489	18,752
Net cash outflow from investing activities	(2,772)	(4,322)
Net cash outflow from financing activities	(29,488)	(16,273)
Net decrease in cash and cash equivalents	(4,771)	(1,843)
Cash and cash equivalents at the beginning of the year	1,180	3,023
Cash and cash equivalents at the end of the year	(3,591)	1,180
Represented by:	3,509	3,680
Cash and cash equivalents	(7,100)	(2,500)
Borrowings - on call	(3,591)	1,180

Summary Balance Sheet

AS AT 30 JUNE 2013

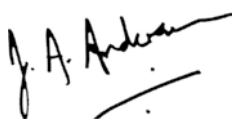
	2013 \$000	2012 \$000
Current assets		
Cash and cash equivalents	3,509	3,680
Trade and other receivables	68,448	74,317
Inventories	81,777	82,705
Other current assets	647	616
	154,381	161,318
Non-current assets		
Trade and other receivables	46,497	48,201
Property, plant and equipment	21,480	20,899
Intangibles	67,977	69,100
	222,358	230,418
Current liabilities		
Trade and other payables	33,366	32,482
Borrowings	27,100	40,000
Other current liabilities	2,448	2,567
	62,914	75,049
Non-current liabilities		
Deferred tax	1,408	1,771
Other non-current liabilities	849	914
	2,257	2,685
Equity	157,187	152,684
Total equity and liabilities	222,358	230,418

The summary financial statements have been derived from the full financial statements.

Summary Notes To The Financial Statements

1. Steel & Tube Holdings Limited is registered under the Companies Act 1993 and is an issuer on the New Zealand Exchange for the purposes of the Financial Reporting Act 1993. The Company is a limited liability company incorporated and domiciled in New Zealand, and the Group comprises Steel & Tube Holdings Limited and its subsidiaries. The Group's principal activities relate to the distribution, processing and fabrication of steel and allied products.
2. The Group is a profit-oriented entity and its consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand Equivalents to International Financial Reporting Standards (NZIFRS). The financial statements comply with International Financial Reporting Standards (IFRS). The financial statements have been prepared in accordance with the Financial Reporting Act 1993 and the Companies Act 1993. The functional and presentation currency of the Group is in New Zealand dollars.
3. The summary financial statements have been extracted from the full financial statements. The summary financial statements cannot provide a full understanding due to their summary nature. A full understanding can be obtained only by reference to the annual report and the full financial statements.
4. A copy of the annual report and full financial statements may be obtained on request from the registered office of the Company or the Company's website www.steelandtube.co.nz
5. On 15 August 2013 the Board declared a fully imputed dividend of 8.5 cents per share (\$7.52 million) and a supplementary dividend to non-resident shareholders of 1.5 cents per share. The dividends will be paid to shareholders on 30 September 2013.
6. The full annual financial statements of the Group have been audited by PricewaterhouseCoopers who have issued an unmodified audit opinion in respect to the financial statements on 15 August 2013. PricewaterhouseCoopers have audited these summary financial statements and found them to be consistent with the full annual financial statements.
7. The Directors authorise the publication of these Summary Financial Statements on 15 August 2013.
8. These Summary Financial Statements are in compliance with FRS-43: Summary Financial Statements.

Approved on behalf of the Board:



Sir John Anderson Chairman



Dave Taylor Chief Executive Officer

Independent Auditors' Report on Summary Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013



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TO THE SHAREHOLDERS OF STEEL & TUBE HOLDINGS LIMITED

We have audited the accompanying summary financial statements, which comprise the summary balance sheet as at 30 June 2013, summary statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows for the year then ended, and related notes, which are derived from the audited financial statements of the Group for the year ended 30 June 2013. The Group comprises Steel & Tube Holdings Limited and the entities it controlled at 30 June 2013 or from time to time during the financial year.

The summary financial statements do not contain all the disclosures required for full financial statements under generally accepted accounting practice in New Zealand. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Group.

Directors' Responsibility for the Summary Financial Statements

The Directors are responsible for the preparation of the summary financial statements in accordance with FRS-43: Summary Financial Statements.

Auditors' Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) 810: Engagements to Report on Summary Financial Statements.

Other than in our capacity as auditors and tax advisors we have no relationship with, or interest in the Group. These services have not impaired our independence as auditors of the Group.

Opinion on the Financial Statements

Our audit of the financial statements for the year ended 30 June 2013 was completed on 15 August 2013 and our unmodified opinion was issued on that date. We have not undertaken any additional audit procedures from the date of the completion of our audit.

Opinion on the summary financial statements

In our opinion, the summary financial statements have been correctly derived from the audited financial statements of the Group for the year ended 30 June 2013 and are consistent, in all material respects, with those financial statements, in accordance with FRS-43.

Restriction on Distribution or Use

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

Chartered Accountants

15 August 2013
Wellington



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This document, in conjunction with the Steel & Tube Financial Report 2013,
constitutes the 2013 Annual Report to shareholders of Steel & Tube Holdings Limited.





STRONGER IN EVERYWAY



steel&tube

www.steelandtube.co.nz