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The Board

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



Investing for growth

Steel & Tube has had a strong year, reporting a 15% improvement in Group net profit to \$17.9 million, with earnings per share rising to 20.4 cents.

The Company continues to deliver solid year-on-year improvements. While the uplift in economic activity has clearly helped, the Company continues to make positive gains across many parts of the business.

The recent acquisition of Tata Steel International (Australasia) has been a key milestone and while it has marginally boosted this year's results, the full year impact is likely to see S&T revenues exceed \$500 million for the current 2014/2015 financial year.

The Board remains committed to providing shareholders a consistent dividend stream and, accordingly, has declared a final dividend of 9.0 cents per share, bringing the total dividends for the year to \$7.96 million.

The Company continues to invest for the future, leveraging its strong balance sheet.

Ongoing investment has stepped up with significant additional capital commitments for new plant and equipment, coupled with several new long-term property arrangements. These will enhance the capacity and effectiveness of key operations to better serve customers, particularly those aligned to the construction sector.

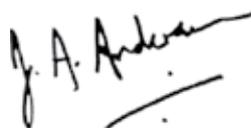
The acquisition of Tata Steel International (Australasia), now rebranded as S&T Stainless, strengthens the Company's position as the leading stainless supplier with a nationwide distribution network. This will support its investment into the food and viticulture sectors that continue to expand.

Investment to improve communications infrastructure and a new enterprise resources planning (ERP) system are also being implemented. All form part of the One Company reinvigoration strategy that continues to generate results.

Needless to say the impact of these investments and the ongoing changes require extensive resources and management commitment. The Board is keen to recognise the efforts of CEO Dave Taylor and the Lead Team in delivering the various change initiatives while continuing to provide oversight of the business and fulfilling customer requirements.

Equally the Board extends its sincere thanks to all Steel & Tube staff. Change continues to be a focus of the Company's strategy and the successes enjoyed as a result have their basis in the support, stability and resilience of its people.

In a year in which the Company celebrates 60 years in business it is timely to recognise their ongoing commitment to excellence which the Board acknowledges as creating strong foundations for Steel & Tube for the next 60 years.



Sir John Anderson Chairman



From strength to strength

I'm very pleased to report that Steel & Tube enjoyed a strong year, culminating in improved top-and-bottom-line results. These were further boosted by our acquisition, in April 2014, of Tata Steel International (Australasia), a division of Tata Steel International, one of the world's top steel producers

Delivering results

Our acquisition of Tata Steel International (Australasia) (since rebranded as S&T Stainless) positions Steel & Tube as New Zealand's leading stainless supplier with a nationwide footprint and exclusive distribution rights to several new product lines.

For the full year to 30 June 2014 our revenue increased to \$441 million and includes \$13 million from Stainless. This represents a 12 percent increase compared with \$393 million for the previous year. Our after-tax profit of \$17.9 million compared with \$15.6 million for the previous year, an increase of 15 percent.

Our decision to invest in increased inventory in the first half of the year to support the expected growth in steel volumes has been rewarded with increased revenue. However, this ongoing investment has reduced our operating cashflows for the year to \$12.3 million compared to \$27.5 million last year.

Improving trading environment

As our year progressed we saw economic activity (and consequently volumes) improve across most sectors, although volatility remained, given the project nature of some of our key sectors.

Most of the increased activity was led by the construction sector. Residential building consents, by value, rose 27 percent in the year to June 2014; non-residential consents rose 11 percent. Not surprisingly, both Auckland and Christchurch led the way and it is pleasing to report that those of our products aligned to this sector enjoyed solid growth.

The rural sector, which benefited from the record dairy payouts, remained buoyant; the declining trend in the manufacturing sector was arrested, which resulted in steady activity, and investment into the oil and gas sector slowed, particularly in the second half of our year.

From an industry perspective, and despite the improving volumes, competition remains intense and we have seen margins restrained as a result.

Globally there are a number of challenges facing the steel industry. Despite some older mills closing and soft domestic demand in China

and other Asian countries, Chinese steel output continues to increase. Consequently, a number of countries have implemented anti-dumping levies as some Asian mills look to offload their product overseas.

Against this backdrop of imbalanced production and demand, both raw material and finished steel prices remain soft.

At home, we welcome the Government's continued commitment to infrastructure. This year, Steel & Tube has participated in some of the country's most important and iconic projects, each of which are set to enhance and enrich our cities, towns and communities. Auckland's Waterview Connection, Wellington's National War Memorial Park and underpass, and the Burwood Hospital complex in Christchurch are among them.

With the Crown's investment at unprecedented levels, we appreciate its aim to achieve maximum value from suppliers. Consequently we have worked constructively and openly with the Ministry of Business, Innovation and Employment (MBIE) on the All-of-Government purchasing initiative. We acknowledge and agree with MBIE's conclusion that the steel supply chain is both complex and competitive and there are potentially bigger opportunities within different construction product categories.

One Company investments

As part of our ongoing reinvigoration journey we have also continued to invest in our business. Two new facilities are currently being built in Auckland, and new plant and machinery is being purchased to further support processing capability while improving efficiencies. A purpose-built facility in Palmerston North is set to begin operating in the final quarter of 2014.

Key information, communications and technology projects, aimed at enhancing customer interactions and service, are also underway.

Our S&T Stainless operation is going well, performing in line with expectations. Our extensive integration programme remains focused on identifying and bringing together the best of both organisations, in ways that will benefit our people, our business – and our customers.

Our One Company initiative continues to resonate with our people and customers. By continuing to broaden our product availability, streamlining our operations and focusing on collaborative relationships, we are improving the way we work and making it easier for others to do business with us.

Such improvements not only add convenience, they provide our customers with greater certainty and an assurance that they have access to the highest quality solutions the market has to offer.

Outlook

Global uncertainties continue with geopolitical risks increasing and economic forecasts reducing across multiple regions.

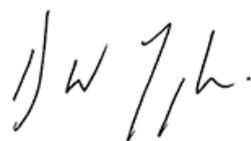
In recent months the New Zealand economy appears to be moderating, reflecting monetary policy tightening, reducing commodity prices, the stubbornly high dollar and the Reserve Bank signalling a period of assessment. This may well impact activity levels and therefore volumes.

However, against this backdrop, we anticipate construction will continue to underpin activity levels and the parts of our business predominately aligned to this are expected to continue delivering solid results.

Our focus on continual improvement is relentless and over the coming year we will identify ways to advance our systems, process effectiveness and, ultimately, our profitability.

To be successful in this way, however, we need great people. Throughout this report you will find numerous examples of the ways in which our people are working together, and with our customers, to ensure we remain the leader in our field.

We are totally committed to being Stronger in Everyway.



Dave Taylor Chief Executive Officer





Roger O'Neill
General Manager
Processing

Dave Clegg
General Manager
Human Resources

Andy Millard
General Manager
Distribution

Janie Elrick
Chief Financial Officer
and Company Secretary

Dennis Boyle
General Manager
Supply Chain

Brett Douglas
General Manager
Marketing



Gary Smith (absent)
General Manager
S&T Stainless

Dave Taylor
Chief Executive Officer and
Non-independent Director

Stronger together

Our newly combined company strengthens our position as the country's leading supplier of stainless and engineering steel products and services

Steel & Tube has come a long way from our beginnings in the 1950's when three independent steel merchants merged to create the Company which continues to thrive today.

That kind of success and longevity doesn't happen by accident. It's evidence of our capacity to form lasting business partnerships, respond to changing market needs, and deliver unequalled quality and service.

This year, that quality and service has been further enhanced by our acquisition in April 2014 of Tata Steel International (Australasia) Ltd, (TSIAL) a division of Tata Steel International – one of the world's largest steel producers.

TSIAL's stainless and engineering steel distribution business and ComFlor manufacturing capability now trade under the well-respected S&T brand.

Our new entity strengthens our position as the country's leading supplier of stainless and engineering steel products and services.

Bringing our two companies together creates an opportunity for combined growth and the ability to deliver new and innovative solutions in the form of new products and services to our customers.

With a combined workforce of over 800 and a network of 48 branches and distribution centres around the country, we have a solid platform from which we can support the needs of New Zealand's local businesses and the sectors they serve.

As a larger Company, there will be new opportunities and learning for staff, too, enabling each of us to become the best that we can be.

To facilitate this we have developed an extensive integration programme. Led by representatives from both companies it is tasked with bringing together the best of both organisations. The plan is being rolled out progressively – we estimate it may take up to two years – reflecting best business practice and aligning with the expectations of our customers.

Among our first initiatives has been the development of a combined go-to-market approach that empowers our customers to continue trading with both parts of our organisation in ways that best suit their own business practices.

TSIAL rebranded as S&T Stainless in June, and in August we welcomed Gary Smith, formerly TSIAL's Commercial Manager, to the wider S&T Leadership Team. Gary will provide operational oversight of S&T Stainless as we work through our integration programme.

Over time, we aim to harness the combined purchasing power of our two organisations to develop a wider range of products and pricing structures. We will look to consolidate our local purchases and gain efficiencies across administrative functions.

As a Leadership Team we are totally committed to driving the continued success of Steel & Tube through profitable growth, high performance and continual improvement.

We look forward to leading Steel & Tube on the integration journey and building an ever stronger platform from which to support the Company in the years ahead. ✚



- 2014 FROM STRENGTH TO STRENGTH**
Steel & Tube acquires Tata Steel International (Australasia) Ltd, further expanding our product range, technical capability and customer base in key New Zealand markets
- 2013 60 YEARS STRONG**
Steel & Tube celebrates 60 years as New Zealand's leading supplier of steel products and solutions
- 2011 STRONGER IN EVERY WAY**
Steel & Tube launches One Company, a programme to fundamentally transform and reinvigorate the way the Company operates and services its customers
- 1990s RESTRUCTURE AND ALIGNMENT**
Steel & Tube acquires several steel distribution, roofing, manufacturing and fastening supply businesses
- 1970s EXPANDING ACTIVITIES**
Steel & Tube extends its reach into vehicle assembly, paint and chemical manufacturing and heavy machinery sales. In the 1980s it returns to the core business of steel distribution and base metal manufacturing
- 1967 A PUBLIC COMPANY**
Steel & Tube becomes a public company and lists for the first time on the New Zealand Stock Exchange
- 1953 THE FORMATION**
Steel & Tube is formed with the merger of three steel merchandisers – Stewarts & Lloyds, The Iron & Steel Company, and McLean & Todd



National War Memorial Park

Jarrold Sadgrove - Senior Detailer



Waterview Connection

Peter Anderson - Manager, Auckland Reinforcing and Northern Wire Processing

Making things happen

Steel & Tube continues to play a key role in working with our customers to support New Zealand's economic growth and development. This year we have been involved in some of the country's key infrastructure initiatives – from roading to historical, cultural and sporting facilities – providing innovative and specialist solutions to projects that help grow, sustain and revitalise our cities, towns and communities



Avantidrome

Aaron Navanua - Manager, Roofing Hamilton

In Wellington, work is underway to create a National War Memorial Park as part of the Government's cornerstone project to acknowledge the centenary of the First World War. We're proud to be a part of this important cultural and historical upgrade, supplying 2000 tonnes of reinforcing steel to HEB Construction, to line the floor, walls and roof of the 300-metre long, 12-metre deep Buckle Street underpass. The completed project will create an enduring reminder of our country's past, and a legacy landmark all New Zealanders can be proud of.

Auckland's revolutionary Waterview Connection project is part of New Zealand's largest and most complex infrastructure developments, completing a ring road around our biggest city. Working collaboratively with long-standing business partner Wilson Tunnelling, our innovative technical team identified an alternative design solution for customised reinforcing of the pre-cast concrete radials that line the tunnel walls. By purchasing a purpose-built fusion-welding machine from Italy we have been able to manufacture 3,500 tonnes of steel into 120,000 straight and radial reinforcing cages for the 24,000 concrete tunnel segments.

In Hamilton, we've got New Zealand's Home of Cycling covered. The \$28.5 million Avantidrome saw construction companies from across Europe come together to complete the project. Its challenging double-curved oval-shaped roof required a complex design solution to meet weatherproofing and internal moisture requirements that would protect the integrity of the indoor wooden track. Our technical team, working with Lee Roofing, Livingstone Construction and Chibnall Buckell Marovic Team Architects, came up with a custom-made solution for the nearly 7000 square metres of roofing and cladding on the building, using our trade-marked and patented ST963 metal roofing and cladding profile, designed especially for commercial and industrial applications. +

“It was a project that had everybody talking – in Christchurch and right around New Zealand. Everybody had a view on it and as the build took shape it became immediately recognisable to everyone”

Standing tall in Christchurch

Little more than two years after the city was brought to its knees by earthquakes, Steel & Tube is proud to have participated in one of its most iconic building projects

The triangular prism that has risen in the place of Christchurch’s original gothic-style cathedral has given new hope to a city left badly scarred after the earthquakes of 2010 and 2011.

Built to the innovative design of internationally recognised Japanese architect Shigeru Ban, it uses 98 reinforced cardboard tubes, each just over 21 metres long, to form the walls and roof of the new building in Latimer square.

Steel & Tube is very proud to have been a part of this iconic and world-leading project, working alongside East Coast Steelwork for main contractor Naylor Love. We supplied several product lines into the build, in the form of universal beams, merchant bar, hollows and fastenings, to help create the steel-framed ribbed cage which supports each of the 98 cardboard tubes and the 14.5 tonne trinity window frame.

Account Manager Tony Williams, pictured top left with East Coast Steelwork Project Manager Ben Coleman, said: “It was a really exciting development to work on because it was clear it was going to be an iconic building, representing a new start – and that’s always exciting.

“It was a project that had everybody talking – in Christchurch and right around New Zealand. Everybody had a view on it and as the build took shape it became immediately recognisable to everyone.”

Specifically built to last 10 years, work on the transitional cathedral began in 2012. Sited on earth prone to liquefaction, the \$5.3 million building sits on a concrete raft 900mm thick, designed to normalise ground deformation in the event of another quake.

The timber and steel cage which supports the cardboard tubes rests on a series of pre-fabricated shipping containers which are embedded into the concrete pad and double as storage and subsidiary spaces.

Standing 25 metres tall, the cathedral can accommodate up to 700 people. It was officially handed over to the Anglican diocese and formally opened in August 2013.

Tony adds: “Although it was referred to as a cardboard cathedral, the label is a misnomer really because it is, of course, so much more than that. In reality it was a very technical build with some tight deadlines, which made it all the more challenging.

“Working alongside East Coast Steelwork, we rose to those challenges and the result has been worth it – for us, and for the people of the city.” ✚





lead²succeed

Growing tomorrow's leaders

As Steel & Tube goes from strength to strength, a key priority lies in creating an environment that encourages and supports innovation, leadership and critical thinking among our future leaders

The practice of good leadership is necessary in business, not just to keep everything going – but to know and understand where your business is heading, and identifying the things you need to do to get you to your destination – and beyond.

It's easy to think of Steel & Tube as competing solely on the basis of our products and our distribution network – and we are proud that these attributes have positioned us as New Zealand's leading supplier of steel products and services.

But they're just one component of our success: good leadership is essential to our organisation because it transforms our potential into reality. Better leaders develop better teams, and the two together build a better business.

Good leadership ensures we remain a leading, competitive and successful organisation, supporting our customers, and contributing to our economy in ways that benefit all New Zealanders. And our people play the biggest part in that.

This year we introduced our Lead2Succeed leadership development programme – designed to help grow our business leaders of tomorrow.

Built around a series of structured, interactive workshops, Lead2Succeed is a dynamic and multi-faceted learning programme that adopts best-practice learning models and concepts to create shared, learner-led opportunities.

It takes an holistic approach to leadership development, covering both tangible and non-tangible skills.

The aim of the three-year course is to create a high-performing culture within Steel & Tube, characterised by team work, collaboration and change agility. This will ensure our organisation is poised to continue as a profitable, successful and sustainable business in the years ahead.

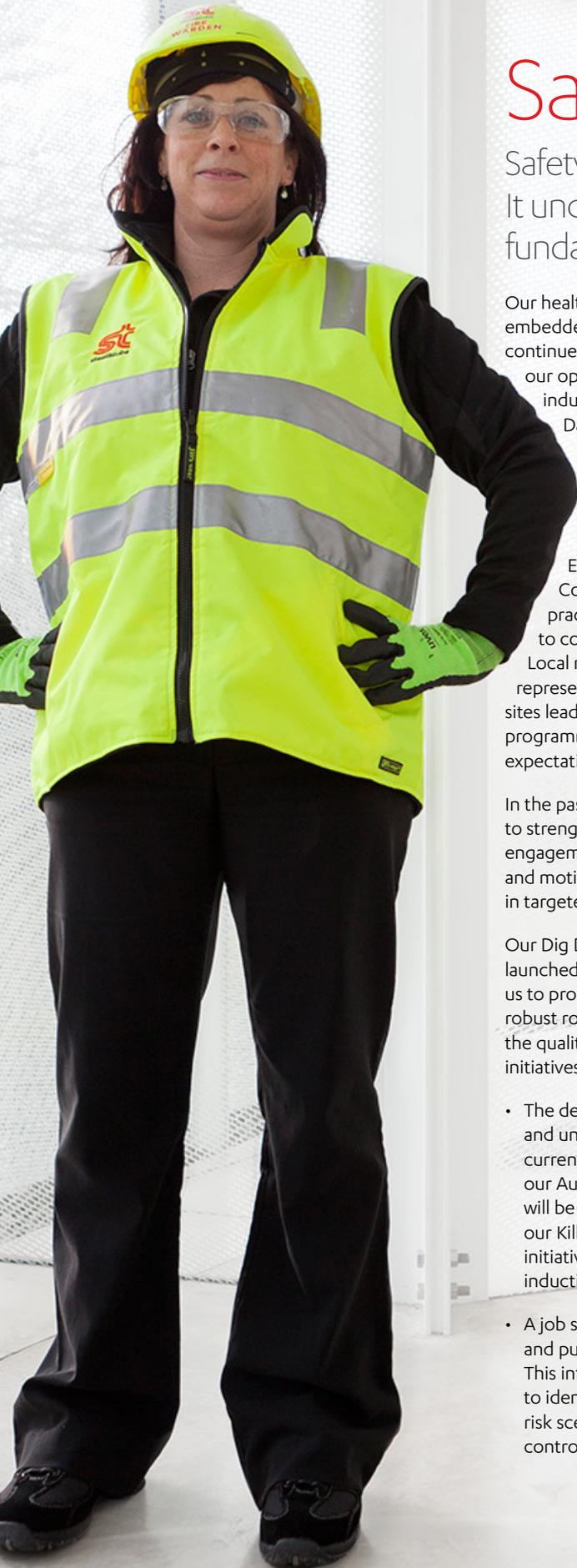
Steel & Tube's CIO Andrea Gallimore, a participant of the first Lead2Succeed cohort says: "The programme provides a valuable opportunity to work closely with our Leadership Team and our peers across the business, identifying and understanding all aspects of leadership and applying our learnings both operationally and strategically, to better support our customers."

Growing our values

Building on our Values Programme, this year our people have progressed through a series of inspiring group-centred activities designed to encourage further engagement with our values – United, Open, Trusted, Integrity, and Accountable.

These provide our people with the opportunity to practise and improve their values-based observation and recognition skills, creating more effective participation and collaboration among teams. ✦

"Better leaders develop better teams, and the two together build a better business"



Safe and sound

Safety is our first priority. It underpins everything we do and is fundamental to the way we operate

Our health and safety ethos is embedded in our culture and continues to take priority across all our operations. Steel is a dangerous industry so everyone from CEO Dave Taylor to the frontline store person has a part to play in ensuring Steel & Tube remains a safe place to work.

Our Health, Safety and Environment (HS&E) Committee establishes practical strategic objectives to continue the safety journey. Local management and HS&E representatives at each of our sites lead the delivery of our programme, outlining behavioural expectations and requirements.

In the past year we have continued to strengthen health and safety engagement among our teams and motivated participation in targeted initiatives.

Our Dig Deeper training module was launched in March 2014. It is helping us to promote the importance of robust root-cause analysis to reinforce the quality of our findings. Other initiatives under way this year include:

- The development of a loading and unloading training video currently being trialled across our Auckland sites. The video will be used in conjunction with our Killers and Lifesavers safety initiative and forms part of our H&S induction for new employees
- A job safety analysis of our roofing and purlins' operations machinery. This informs a step-by-step process to identify hazards and associated risk scenarios so that mitigating controls can be implemented

- The engagement of a third-party agent to manage non-work injuries. Part of a trial programme available to those in our ACC partnership programme, it delivers prompt quality care to staff injured outside of work
- Chain of Responsibility training has been rolled out to ensure those Steel & Tube employees involved in transporting product are conscious of the responsibility we owe to our contract and casual drivers by keeping them safe on the road and their loads secure.

Our Steel & Tube staff safety awards last year attracted over 20 individual nominations, each reflecting outstanding contributions made by our people to ensure the continuous improvement of our health and safety practices

Pleasingly, the rise in the number of nominations this year reflects an ongoing and genuine enthusiasm for the awards.

This heightened response is also evident across the key indicators we use to measure our safety performance:

- Near-miss incident reporting has increased 100%
- Medical Injury Time (MTI) frequency ratio has reduced from 5.7 to 5.4
- Lost Time Incident (LTI) frequency ratio – at 1.5 – remains well below the World Steel Association average. +

Investing in the future

We continue to re-invest in our business, focusing on two key infrastructure initiatives to strengthen our customer-centricity

The way organisations connect with their customers and the services they provide are becoming more individualised and sophisticated every day.

We continue to take advantage of this ongoing shift in expectations by providing our customers with the products and services they want, where and when they want them, in simple and convenient ways.

Two key enablers to that are our facilities and IT strategies. Together they form part of a \$30 million re-investment programme that will further drive our One Company philosophy. It will underpin a more productive, innovative and collaborative environment and ultimately create a better customer experience.

This year we confirmed plans to streamline the environmental footprint of our business activities and consolidate our sites. This involves decommissioning outdated plants and machinery in Palmerston North and Auckland, taking advantage of the logistical gains to be had from upgrading to purpose-built operations in these areas.

New facilities being built in Palmerston North will co-house our Processing, Distribution and Stainless operations, providing easy access for customers to our wide range of products all under one roof.

Two further facilities in Auckland will enhance our processing capability and efficiency and better service the expanding North Island building and construction requirements.

Technology is another cornerstone of our business. This year we have continued to build on the strong foundations set down last year and aimed at bringing our people and customers closer together, enabling us to respond to changing market expectations and supporting our business into the future.

New digital hardware across all our sites will strengthen our communications capabilities, delivering faster, easier interaction with our customers.

A new enterprise resources planning system (ERP) will enable us to collaborate more effectively, and provide a better customer experience.

With a 360-degree view of every customers' buying habits we can profile the industries and product categories of interest. When a new line becomes available that meets their criteria, we can notify the customer and explain how the new solution might suit their application.

Customers will no longer have to repeat their requirements each time they make contact, which will ensure their designated account manager can provide a consistently high level of service.

It's all about being the best we can be for our customers – today and into the future. By focusing on systems that extend our capabilities we can make life easier for our customers, and better for our business. ✦



Financial summary

Summary Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$000	2013 \$000
Total revenue	442,325	394,982
Expenditure		
Cost of sales	(347,651)	(309,516)
Selling expenses	(30,854)	(26,914)
Administration expenses	(17,294)	(17,410)
Other operating expenses	(19,705)	(18,538)
Interest expense	(1,944)	(1,412)
Total expenditure	(417,448)	(373,790)
Profit before tax	24,877	21,192
Tax expense	(6,973)	(5,607)
Profit for the year attributable to owners of the parent	17,904	15,585
Other comprehensive income – hedging reserve	(703)	644
Total comprehensive income	17,201	16,229

Summary Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$000	2013 \$000
Opening balance	157,187	152,684
Profit after tax	17,904	15,585
Other comprehensive income – hedging reserve	(703)	644
Total comprehensive income	17,201	16,229
Transactions with owners		
Dividends paid	(13,596)	(11,414)
Other	(411)	(312)
Closing balance	160,381	157,187
Total equity comprises of:		
Share capital	71,656	71,594
Retained earnings	91,167	86,859
Other equity reserves	(2,442)	(1,266)
Total equity	160,381	157,187

Summary Statement Of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$000	2013 \$000
Net cash inflow from operating activities	12,301	27,489
Net cash outflow from investing activities	(33,515)	(2,772)
Net cash outflow from financing activities	(7,900)	(29,488)
Net decrease in cash and cash equivalents	(29,114)	(4,771)
Cash and cash equivalents at the beginning of the year	(3,591)	1,180
Cash and cash equivalents at the end of the year	(32,705)	(3,591)
Represented by:		
Cash and cash equivalents	5,795	3,509
Borrowings – on call	(38,500)	(7,100)
	(32,705)	(3,591)

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

Summary Balance Sheet

AS AT 30 JUNE 2014

	2014 \$000	2013 \$000
Current assets		
Cash and cash equivalents	5,795	3,509
Trade and other receivables	86,525	68,448
Inventories	113,002	81,777
Other current assets	5	647
	205,327	154,381
Non-current assets		
Property, plant and equipment	48,117	46,497
Intangibles	23,522	21,480
	71,639	67,977
Total assets	276,966	222,358
Current liabilities		
Trade and other payables	46,501	33,366
Borrowings	64,500	27,100
Other current liabilities	3,239	2,448
	114,240	62,914
Non-current liabilities		
Trade and other payables	795	-
Deferred tax	603	1,408
Other non-current liabilities	947	849
	2,345	2,257
Equity	160,381	157,187
Total equity and liabilities	276,966	222,358

Summary notes to the Financial Statements

1. Steel & Tube Holdings Limited is registered under the Companies Act 1993 and is an issuer listed on the New Zealand Stock 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 (NZ IFRS). 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.
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 14 August 2014 the Board declared a fully imputed dividend of 9.0 cents per share (\$7.96 million) and a supplementary dividend to non-resident shareholders of 1.59 cents per share. The dividends will be paid to shareholders on 30 September 2014.

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

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 14 August 2014. PricewaterhouseCoopers has audited these summary financial statements and have found them to be consistent with the full annual financial statements.
7. On 14 April 2014 Steel & Tube Holdings Limited purchased 100% of the shares in Tata Steel International (Australasia) Limited for \$28.1 million and thereby gained full control. Tata Steel International (Australasia) Limited is a leading supplier of stainless, engineering steel and floor decking products predominately trading in New Zealand.

As a result of the acquisition the Group has increased its presence in stainless, engineering steel and floor decking products. It has been assessed that Steel & Tube Holdings Limited purchased Tata Steel International (Australasia) Limited for less than the fair value of its net assets by \$0.4m. The resulting gain has been recognised in the profit or loss and other comprehensive income of Steel & Tube Holdings Limited on the date of acquisition.

The following table summarises the consideration paid for Tata Steel International (Australasia) Limited, the fair value of the assets acquired and the liabilities assumed.

Consideration at 14 April 2014	\$000's
Consideration paid and payable	28,056
Total consideration paid	28,056
Recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	1,212
Trade and other receivables	13,887
Inventories	21,285
Property, plant and equipment	2,500
Trade and other payables	(10,380)
Total identifiable net assets	28,504
Gain on acquisition	448
Total	28,056

The gain on acquisition has been recognised in other operating income in the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2014. Acquisition costs of \$0.6m have been charged to administration expenses in the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2014.

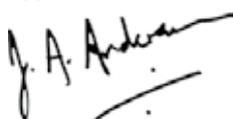
On 27 April 2014 Tata Steel international (Australasia) Limited changed its name to S&T Stainless Limited (Stainless Limited).

The revenue included in the Group Statement of Profit or Loss and Other Comprehensive Income since 14 April 2014 contributed by Stainless Limited was \$12.9m. Stainless Limited also contributed profit after tax of \$0.6m over the same period.

Had Stainless Limited been consolidated from 1 July 2013 the Group Statement of Profit or Loss and Other Comprehensive Income would show revenue of \$489.2m and a profit after tax of \$19.7m.

8. The Directors authorise the publication of these Summary Financial Statements on 14 August 2014.
9. 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 2014



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 2014, 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 2014. The Group comprises the Company and the entities it controlled at 30 June 2014 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.

Our audit of the financial statements for the year ended 30 June 2014 was completed on 14 August 2014 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.

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 and provider of advisory services we have no relationship with, or interest in the Company or its subsidiaries. These services have not impaired our independence as auditors of the Company and Group.

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 2014 and are consistent, in all material respects, with those financial statements, in accordance with FRS-43.

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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.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers' in a cursive script.

Chartered Accountants

14 August 2014
Wellington



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This document, in conjunction with the Steel & Tube Financial Report 2014,
constitutes the 2014 Annual Report to shareholders of Steel & Tube Holdings Limited.





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