

## Steel & Tube - Share Buy Back

Steel & Tube Holdings Limited announced today that it is proceeding with a share buy-back of up to 8,780,000 ordinary shares.

The Company's capital has been maintained at its current level following the sale of the Canadian subsidiary, A J Forsyth & Co Limited in October 2001, as the Board was mindful of a potential major acquisition. If this transaction had proceeded it would have represented a significant investment and for this reason it was appropriate for the Company to retain a higher than normal degree of financial flexibility on its balance sheet. This potential acquisition is no longer an option and there are no other similar-sized suitable investment opportunities currently available to the Company.

In view of the lack of major investment opportunities, the Board and management have recently carried out and completed a review of the Company's strategic plans. The major outcome of this review has been a reaffirmation of the Company's current focus, direction and scope of business.

As a result, the Board considers that the Company has capital in excess to its current requirements and that a return of capital by way of a share buy-back is in the best interests of the Company and will enhance value for all Steel & Tube shareholders. The Board also considers that after the share buy-back is completed the Company will have sufficient financial flexibility to continue to expand and grow the core businesses of the Company.

The share buy-back will be effected over a period of up to 12 months and will consist of two components:

an on-market purchase of up to 4,390,000 ordinary shares on the New Zealand Stock Exchange at the prevailing market price from time to time; and

corresponding off-market purchases from the Company's majority shareholder, Tubemakers of New Zealand Limited, under a Share Purchase Agreement to ensure that Tubemakers retains its current shareholding percentage of approximately 50.3%.

The New Zealand Stock Exchange has granted waivers to the Company under Listing Rules 7.6.1, 7.6.6 and 9.2.1 to enable the Company to buy shares from Tubemakers off-market under the Share Purchase Agreement without having to obtain shareholder approval. These waivers have been granted on the condition that:

disclosure of the waivers, and the conditions on which they have been granted;

an independent appraisal report by Deloitte Touche Tohmatsu on the fairness of the terms of the Share Purchase Agreement with Tubemakers; and

the Disclosure Document for the share buyback, are sent to shareholders and the New Zealand Stock Exchange.

The Disclosure Document and the independent appraisal report by Deloitte Touche Tohmatsu will be sent to shareholders by the end of September.

Date: 6 September 2002

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*Chief Executive Officer*