

21 June 2018

STU/NZX announcement

STEEL & TUBE ANNOUNCES SALE AND LEASE BACK OF BLENHEIM ROAD PROPERTY

Steel & Tube Holdings Limited (NZX: STU) has signed an unconditional agreement to sell its property at 375 Blenheim Road, Christchurch for \$21.1 million on a sale and lease back basis. The transaction is expected to be completed on 29 June 2018.

Steel & Tube Chief Executive Officer, Mark Malpass, said: "This arrangement allows us to retain our successful operations in the newly upgraded Blenheim Road distribution hub under favourable lease terms, while freeing up capital to pay down debt."

Steel & Tube's established operations, long term plans and recent investment into the property made it an attractive acquisition with interest from multiple parties.

Steel & Tube expects the sale will result in the Company recognising a gain on sale of approximately \$1.3 million in the financial year ending 30 June 2018. Steel & Tube advises that the earnings guidance provided to the market on 23 May 2018 did not include any gain on sale.

-ENDS-

Greg Smith
Chief Financial Officer & Company Secretary
STEEL & TUBE

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