

25 October 2016

Listed Company Relations
New Zealand Exchange Limited
PO Box 2959
Wellington

Dear Sir/Madam

BUSINESS ACQUISITION - BLADESTOP

The Board of Directors of Scott Technology Limited ("Scott") is pleased to announce that the Company has signed a conditional agreement to purchase the business assets of BladeStop Pty Limited ("BladeStop").

BladeStop is bandsaw safety technology used in the meat processing industry and will sit alongside Scott's expanding suite of meat processing applications which focus on improving safety, efficiency, and yield. BladeStop is uniquely designed to reduce the risks of serious injury by mechanically stopping the bandsaw blade when the unit senses that a person has come in contact with the blade. Upon sensing contact with the operator, the blade stops operating within 15 milliseconds which can be a huge difference between just having a small skin cut and an amputated finger. The technology was developed in conjunction with Meat & Livestock Australia, while Scott has also contributed to its continued development over the last eighteen months. Bladestop has worldwide application in the processing of different species of animal and can be used by high volume processors through to lower volume butchery and supermarket environments.

BladeStop was nominated as a finalist for Health and Safety Invention of the Year at the 2015 Worksafe Victoria Awards.

Further information and a demonstration video can be found at:

www.scottautomation.com/meat/bladestop/.

Scott's Australian subsidiary, Scott Automation & Robotics Pty Limited, currently manufactures and sells the BladeStop technology under license and will be the Scott entity which acquires the BladeStop business assets.

The purchase price will consist of an up-front payment of A\$6m, plus the vendors will share in the BladeStop earnings for an agreed period. The purchase price is structured to retain knowledge of the technology within the Scott business and to align the interests of both the vendors and Scott.

Final settlement will be take place upon the vendor fulfilling certain pre-conditions of sale and is expected to be completed within the next two weeks.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Stuart McLauchlan".

Stuart McLauchlan
Chairman
Ph +64 3 477 8192

A handwritten signature in blue ink, appearing to read "Chris Hopkins".

Chris Hopkins
Managing Director
Ph +64 3 478 8110

About Scott

At Scott we automate the future. The production line machinery we design and build deliver productivity gains and exceptional reliability to many of the world's leading manufacturers. We also go a step beyond engineering production solutions to actually revolutionising entire industries – using robotics to automate manual processes and create genuine competitive advantage.

For over 100 years Scott has looked to tomorrow and rapidly responded to shifting needs. Today, we have production bases in the United States, China, Australia and New Zealand, customers in 88 countries, and a real commitment to developing new technology and bringing it to market. Across everything we do you will discover true quality, advanced engineering and a renowned design aesthetic.

Scott. Quality that lasts. Quality that inspires.