ASX RELEASE

9 February 2012

STEEL & TUBE HOLDINGS LIMITED - HALF YEAR RESULTS

OneSteel Limited (ASX:OST) has a 50.3% shareholding in Steel & Tube Holdings Limited (NZSX:STU), a public listed company in New Zealand which processes and distributes a comprehensive range of steel and allied products in the construction, manufacturing and rural industries in New Zealand.

Attached is a copy of Steel & Tube Holdings Limited's half year results which were released to the New Zealand Stock Exchange today.

Kara Nicholls
Company Secretary
OneSteel Limited

Further information about OneSteel Limited can be accessed via the website **www.onesteel.com**

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Appendix 1

Steel & Tube Holdings Limited	
Results for Announcement to the Market	
Reporting Period	6 months to 31 December 2011
Previous Reporting Period	6 months to 31 December 2010

	Amount ($000)	Percentage change
Revenue from ordinary activities	202,907	6.54%
Profit before tax	8,903	(26%)
Tax expense - operating income	(2,530)	(31%)
Profit after tax attributable to security holders	6,373	(24%)

	Current year	Prior year
Net tangible assets per share	$1.47	$1.45

	Amount per security	Imputed amount per security
Interim dividend	5.5 cents	2.36 cents
Supplementary dividend	0.97 cents	
Record date	16 March 2012	
Payment date	30 March 2012	

Review	The financial statements attached to this report have been reviewed.

Comments	Refer to separate attachment

The unaudited condensed consolidated interim financial statements have been prepared in accordance, and comply, with, New Zealand Generally Accepted Accounting Practice (NZ GAAP), New Zealand Equivalents to International Financial Reporting Standard NZ IAS 34: Interim Financial Reporting and International Accounting Standard IAS 34: Interim Financial Reporting.

STRONGER IN EVERYWAY

NZX ANNOUNCEMENT

Directors' Report
For the Half Year Ended 31 December 2011

Results

The Directors are pleased to present the unaudited consolidated financial statements for the 2012 half year that were authorised for issue on 9 February 2012. The trading result for the six months to 31 December 2011 is a profit after tax of $6.4 million. This is a decrease of $2 million or 24% compared with the same period last year, and in line with previous guidance.

Sales increased by $12.5 million, or 7% to $202.9 million. However margin pressure resulted in a reduced overall trading result.

The net tangible assets per share at 31 December 2011 were $1.47 compared to $1.45 at 31 December 2010.

Dividend

Directors have declared a fully-imputed interim dividend of 5.5 cents per share to be paid on 30 March 2012 to holders of fully-paid ordinary shares registered at 16 March 2012. The amount payable is $4.86 million and a supplementary dividend of 0.97 cents will be paid to non-resident shareholders.

Performance

Industry activity levels saw no appreciable change from the prior year. Notably demand in Auckland was very subdued across all product categories, particularly during September and October, with November seeing some improvement.

Although the key sectors of residential and non residential construction, along with metal related manufacturing remained subdued, this was marginally offset by improvements in the rural sector. The ongoing uncertainties throughout the world continue to impact business sentiment, generally resulting in a cautious approach.

Our Christchurch operations and people continue to demonstrate considerable resilience as they deal with the ongoing earthquakes and aftershocks. There had been early signs that some rebuild activities were commencing, however the ongoing seismic activity may further impact the rebuild schedule.

Volatility in global raw material prices, finished steel prices and in the New Zealand dollar has led to increased volatility in domestic steel prices. This increased volatility along with inventory lead times is creating a more dynamic and challenging pricing environment for steel manufacturers, distributors and customers alike. In addition, the subdued demand led to some manufacturers and distributors being prepared to discount prices early, resulting in significant margin pressure. Prices were increased late in 2011, reflecting international pricing, to reduce the continuation of the margin decline.

At Steel & Tube, we remain focussed on delivering initiatives that focus in improving customer service and growing the company. The One Company approach has resulted in improved sales as the new operating model gains traction. The new and exciting brand was introduced to our customers and staff in July and rebranding was completed in September. Work continues to refresh other parts of our business, which includes upgrades to numerous facilities over coming periods as we continue with the facility rationalisation program.

Additionally our focus on costs, debtors and inventory management, position the organisation for the environment ahead.

Health and safety remains a top priority. Good progress is being made in addressing higher consequence safety risks and although the number of medical treatment injuries is higher than last year, none of the injuries were of a serious nature.

Outlook

From the Company's perspective the economic recovery remains slow, and although the September quarter GDP was stronger than widely expected, the growth was not in those sectors of most relevance to Steel & Tube.

The rural sector commodity pricing remains elevated, despite softening through the second half of 2011, and we expect demand to reflect this. While non-food manufactured exports and metal related manufacturing both declined in the September 2011 quarter, the December Performance of Manufacturing Index showed some improvement.

Residential construction activity is now at its lowest level since 1993 and non residential building consents in December 2011 were down 3.3% year on year. Any meaningful activity in the rebuild for Christchurch is likely to extend further into the second half of the 2012 calendar year.

Ongoing global uncertainties and the impact these uncertainties have on the NZ economy makes it very difficult to forecast with any degree of certainty. Our view is that the issues overseas will continue to limit confidence and curtail investment. Other than the Christchurch rebuild, we see no reason for demands to increase from the current level in the short term.

We remain focused on delivering our internal initiatives, and we believe that they will increasingly generate benefits above that of the general trading environment. Overall we expect that the results for the second half of the year will be similar to or a little better than for the first six months.

Dean Pritchard
Chairman

Dave Taylor
Chief Executive Officer

9 February 2012

Consolidated Interim Statement of Comprehensive Income

FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	Unaudited December 2011 $000	Unaudited December 2010 $000
Sales revenue	**202,907**	190,453
Cost of sales	**(162,580)**	(146,586)
Gross profit	**40,327**	43,867
Other operating income	**198**	164
Selling expenses	**(12,616)**	(13,762)
Administration expenses	**(8,449)**	(7,701)
Other operating expenses	**(9,702)**	(9,771)
Operating earnings before financing costs	**9,758**	12,797
Interest income	**28**	19
Interest expense	**(883)**	(734)
Profit before tax	**8,903**	12,082
Tax expense - operating income	**(2,530)**	(3,684)
Profit after tax	**6,373**	8,398
Other comprehensive income – hedging reserve	**377**	(398)
Total comprehensive income	**6,750**	8,000
Basic earnings per share (cents)	**7.2**	9.5
Diluted earnings per share (cents)	**7.2**	9.5

The accompanying notes form part of these financial statements.

Consolidated Interim Statement of Changes in Equity

FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	Share capital $000	Retained earnings $000	Hedging reserve $000	Treasury shares $000	Share–based payments $000	Total equity $000
Balance at 1 July 2011	**71,252**	**82,311**	**(614)**	**(1,367)**	**389**	**151,971**
Comprehensive income						
Profit after tax	**–**	**6,373**	**–**	**–**	**–**	**6,373**
Other comprehensive income – hedging reserve	**–**	**–**	**377**	**–**	**–**	**377**
Transactions with owners						
Dividends paid	**–**	**(7,912)**	**–**	**–**	**–**	**(7,912)**
Proceeds from call on shares	**271**					**271**
Granted during the period	**–**	**–**	**–**	**–**	**60**	**60**
(Purchase)/withdrawal of own shares	**–**	**–**	**–**	**(290)**	**–**	**(290)**
Unaudited balance at 31 December 2011	**71,523**	**80,772**	**(237)**	**(1,657)**	**449**	**150,850**
Balance at 1 July 2010	71,252	74,945	224	(872)	365	145,914
Comprehensive income						
Profit after tax	–	8,398	–	–	–	8,398
Other comprehensive income – hedging reserve	–	–	(398)	–	–	(398)
Transactions with owners						
Dividends paid	–	(4,398)	–	–	–	(4,398)
Granted during the period	–	–	–	–	152	152
Lapsed or forfeited during the period	–	–	–	–	(83)	(83)
(Purchase)/withdrawal of own shares	–	–	–	(463)	–	(463)
Unaudited balance at 31 December 2010	**71,252**	**78,945**	**(174)**	**(1,335)**	**434**	**149,122**

The accompanying notes form part of these financial statements.

Consolidated Interim Balance Sheet

AS AT 31 DECEMBER 2011

	Unaudited December 2011 $000	Audited June 2011 $000
Current assets		
Cash & cash equivalents	**2,092**	3,023
Trade and other receivables	**59,467**	68,313
Inventories	**96,124**	88,735
Assets held for sale	**508**	508
Derivative financial instruments	**187**	–
	158,378	160,579
Non–current assets		
Property, plant and equipment	**49,525**	51,060
Intangibles	**19,953**	19,903
	69,478	70,963
Total assets	**227,856**	231,542
Current liabilities		
Trade and other payables	**24,968**	33,444
Borrowings – on call	**5,400**	–
Borrowings – term loans	**43,000**	41,000
Provisions	**741**	795
Derivative financial instruments	**–**	853
Income tax payable	**50**	845
	74,159	76,937
Non–current liabilities		
Deferred tax	**2,320**	2,040
Employee benefits	**527**	594
	2,847	2,634
Equity		
Share-capital	**71,523**	71,252
Retained earnings	**80,772**	82,311
Hedging reserve	**(237)**	(614)
Treasury shares	**(1,657)**	(1,367)
Share-based payments	**449**	389
	150,850	151,971
Total equity and liabilities	**227,856**	231,542

The consolidated interim financial statements and accompanying notes were authorised by the Board on 9 February 2012.

For the Board

Dean Pritchard, Chairman

Dave Taylor, Chief Executive Officer

The accompanying notes form part of these financial statements.

Consolidated Interim Statement of Cash Flows

FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	Unaudited December 2011 $000	Unaudited December 2010 $000
Cash flows from operating activities		
Customers receipts	**210,128**	198,851
Interest receipts	**28**	19
Payments to suppliers and employees	**(204,746)**	(182,447)
Income tax payments	**(3,335)**	(3,918)
Interest payments	**(883)**	(734)
Net cash inflow from operating activities	**1,192**	11,771
Cash flows from investing activities		
Property, plant and equipment disposals	**78**	200
Property, plant and equipment purchases	**(1,670)**	(4,037)
Net cash outflow from investing activities	**(1,592)**	(3,837)
Cash flows from financing activities		
Treasury shares	**(290)**	(463)
Proceeds from call on shares	**271**	–
Borrowings	**2,000**	2,000
Dividends paid	**(7,912)**	(4,398)
Net cash outflow from financing activities	**(5,931)**	(2,861)
Net (decrease) increase in cash and cash equivalents	**(6,331)**	5,073
Cash and cash equivalents at beginning of the period	**3,023**	(6,942)
Cash and cash equivalents at end of the period	**(3,308)**	(1,869)
Represented by:		
Cash and cash equivalents	**2,092**	–
Borrowings - on call	**(5,400)**	(1,869)
	(3,308)	(1,869)

The accompanying notes form part of these financial statements.

APPENDIX 7 - NZSX Listing Rules

EMAIL: announce@nzx.com

Notice of event affecting securities

NZSX Listing Rule 7.12.2. For rights, NZSX Listing Rules 7.10.9 and 7.10.10.
For change to allotment, NZSX Listing Rule 7.12.1, a separate advice is required.

Number of pages including this one (Please provide any other relevant details on additional pages): 1

Full name of Issuer	STEEL & TUBE HOLDINGS LIMITED
Name of officer authorised to make this notice	J E Elrick
Authority for event, e.g. Directors' resolution	Directors' Resolution
Contact phone number	(04) 570-5000
Contact fax number	(04) 569-4218
Date	09 / 02 / 2012

Nature of event
Tick as appropriate

Bonus Issue	☐
If ticked, state whether: *Taxable*	☐
/ Non Taxable	☐
Conversion	☐
Interest	☐
Rights Issue Renouncable	☐
Rights Issue non-renouncable	☐
Capital change	☐
Call	☐
Dividend	X
If ticked, state whether: Interim	X
Full Year	☐
Special	☐
DRP Applies	☐

EXISTING securities affected by this — *If more than one security is affected by the event, use a separate form.*

Description of the class of securities	Ordinary Shares
ISIN	NZSTUE000155

If unknown, contact NZX

Details of securities issued pursuant to this event — *If more than one class of security is to be issued, use a separate form for each class.*

Description of the class of securities	
ISIN (*If unknown, contact NZX*)	
Number of Securities to be issued following event	
Minimum Entitlement	
Ratio, e.g 1 for 2	for
Conversion, Maturity, Call Payable or Exercise Date (Enter N/A if not applicable)	
Treatment of Fractions	
Tick if pari passu	☐
OR provide an explanation of the ranking	
Strike price per security for any issue in lieu or date Strike Price available.	

Monies Associated with Event — *Dividend payable, Call payable, Exercise price, Conversion price, Redemption price, Application money.*

In dollars and cents

Amount per security	5.5 cents per share
Source of Payment	88,427,240 ordinary shares
Excluded income per security (only applicable to listed PIEs)	
Currency	NZ Dollars
Total monies	$4,863,498.20

Supplementary dividend details - Listing Rule 7.12.7

Amount per security in dollars and cents	$0.009706
Date Payable	30 / 03 / 2012

Taxation — *Amount per Security in Dollars and cents to six decimal places*

In the case of a taxable bonus issue state strike price	$
Resident Withholding Tax	$
Credits (Give details)	$0.023571
Foreign Withholding Tax	$
FWP Credits (Give details)	

Timing (Refer Appendix 8 in the NZSX Listing Rules)

Record Date 5pm *For calculation of entitlements -*	16 / 03 / 2012
Application Date *Also, Call Payable, Dividend / Interest Payable, Exercise Date, Conversion Date. In the case of applications this must be the last business day of the week.*	
Notice Date *Entitlement letters, call notices, conversion notices mailed*	
Allotment Date *For the issue of new securities. Must be within 5 business days of application closing date.*	

OFFICE USE ONLY
Ex Date:
Commence Quoting Rights:
Security Code:
Cease Quoting Rights 5pm:
Commence Quoting New Securities:
Security Code:
Cease Quoting Old Security 5pm: