



NZX/Media release

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## **Response to Commerce Commission**

*Statement made by Dave Taylor, CEO Steel & Tube*

The Commerce Commission announced today that it has filed charges against Steel & Tube under the Fair Trading Act.

This follows the Commission's release on 5 December 2016 that it intended to charge three companies in relation to past claims made regarding seismic mesh, and that investigations continued into several other companies.

The Commission has already filed charges against two other companies in relation to false and misleading representations about 500E seismic mesh, and has today indicated it expects to lay charges against another.

The Commission's charges against Steel & Tube in regards to compliance with the testing Standard relate to the application of testing methodologies only, not the performance characteristics of the seismic mesh.

Steel & Tube has been cooperating with the Commission throughout its investigation and was aware of the decision to file charges today. Steel & Tube is working with the Commerce Commission to reach an appropriate resolution of the charges, however cannot comment further as the matter is before the court.

Steel & Tube continues to stand behind its products, and since April 2016, all of the Company's seismic mesh has been tested externally by accredited laboratories.

[ENDS]

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### **Background**

There were significant interpretational issues with the Standard for testing seismic mesh. The ambiguities in the Standard led to Steel & Tube calling for a Government/industry review of the testing Standard and in November last year, the clarification that Steel & Tube had sought was issued by the Ministry of Business, Innovation and Enterprise.

Clarification of the Standard gives all seismic mesh manufacturers and sellers certainty regarding how seismic mesh is to be tested to ensure it complies with the Standard. It also gives building owners reassurance that all seismic mesh will now be tested in the same way.