



Decision Summary

Case: 200821539

Decision	Consent granted Section 12(b) Overseas Investment Act 2005 Section 13(1)(a) Overseas Investment Act 2005
Decision Date	16 December 2008
Investment	<p>An overseas investment in sensitive land, being the Applicant's acquisition of rights or interests in 100.0% of the ordinary shares of Steel & Tube Holdings Limited which owns or controls:</p> <ul style="list-style-type: none">– a freehold interest in 3.6411 hectares of land at 68, 74, 78 and 80 Stonedon Drive, East Tamaki, Auckland; and– a leasehold interest in 1.5124 hectares of land at 14 Kerwyn Avenue, East Tamaki, Auckland; and– a freehold interest in 1.5902 hectares of land at 26 Hautonga Street, Petone, Wellington; and– a leasehold interest in 0.5496 hectares of land at Tewsley Street, Dunedin; and– a leasehold interest in 3.3524 hectares of land at 39-41 Randwick Road, Lower Hutt, Wellington; and– a leasehold interest in 0.4570 hectares of land at 27 King Edward Terrace, Christchurch. <p>An overseas investment in significant business assets, being the Applicant's acquisition of rights or interests in 100.0% of the ordinary shares of Steel & Tube Holdings Limited, the consideration of which exceeds \$100m.</p>
Consideration	\$354,000,000
Applicant	OneSteel NZ Holdings Limited Australia (100.0%)
Vendor	New Zealand Public New Zealand (100.0%)
Background	<p>OneSteel NZ Holdings Limited (OneSteel NZ) currently holds 50.27 percent of the entire issued share capital of Steel & Tube Holdings Limited (Steel & Tube). OneSteel NZ has held a majority ownership of Steel & Tube since 1993.</p> <p>One Steel NZ proposes to acquire up to 100 percent of the equity securities of Steel & tube by way of a full takeover offer pursuant to the provisions of the Takeovers Code 1993, or in the event that 100 percent of the equity securities are not acquired through the full takeover offer, by way of a subsequent takeover offer, amalgamation, scheme of arrangement, or on-market purchases and compulsory acquisition over a period of 12 months from the date upon which the full takeover closes.</p> <p>By acquiring 100 percent of Steel & Tube, OneSteel NZ expects to be in the position to</p>

protect its current investment and strengthen Steel & Tube's financial position. OneSteel NZ expects that benefits will arise as a result in the efficiency gains generated by synergy opportunities in supply chain , integrated operations, marketing and back office as well as through a reduction in administration costs.

The overseas investment transaction has satisfied the criteria in sections 16 and 18 of the Overseas Investment Act 2005. The 'benefit to New Zealand' criterion was satisfied by particular reference to the following factors:

- Overseas Investment Act 2005
 - 17(2)(a)(iv) – Added market competition/Productivity
- Overseas Investment Regulations 2005
 - 28(c) – Affect image, trade or international relations
 - 28(e) – Previous investments
 - 28(f) – Advance significant government policy or strategy
 - 28(g) – Enhance the viability of other investments

More information

Cameron Fleming
Russell McVeagh (Auckland)
PO Box 8
AUCKLAND

Bronwyn Walsh
Russell McVeagh (Auckland)
PO Box 8
AUCKLAND