

5 February 2016

Listed Company Relations
New Zealand Exchange Limited
PO Box 2959
Wellington

Dear Sir/Madam

MARKET UPDATE – JBS SCHEME OF ARRANGEMENT

The following is an update to the market on the Scheme of Arrangement between Scott Technology Limited (“Scott”) and JBS Australia Pty Limited (“JBS”).

Background

In late November 2015 Scott shareholders voted convincingly in support of a Scheme of Arrangement for JBS to invest substantial capital alongside existing shareholders. A copy of the announcement can be found at:

<http://www.scott.co.nz/investor-relations/annpdf/2015-11-26-shareholder+approval+of+jbs+scheme+of+arrangement.pdf>

The issue of shares under the rights issue, as well as the issue of further shares in Scott to increase JBS’ shareholding to 50.1%, are subject to final High Court approval of the Scheme of Arrangement which will, in turn, only be granted once approval from the Overseas Investment Office (“OIO”) is received. The OIO approval had not been granted prior to Christmas and an update was provided to the market on 18 December 2015, which can be found at:

<http://www.scott.co.nz/investor-relations/annpdf/2015-12-18-market+update+on+jbs+scheme+of+arrangement.pdf>

We are well aware of the uncertainty that the OIO process creates and all parties are frustrated, including a large number of shareholders who have contacted the company seeking an update on the approval process. This includes shareholders who have sold some or all of their shares in Scott under the offer and who are seeking payment from JBS, and shareholders who have provided capital under the rights issue but who are yet to be issued with those new shares.

Update on Approval Requested from the Overseas Investment Office

We are yet to receive approval of the Scheme of Arrangement from the OIO which is delaying final High Court approval.

OIO approval relates primarily to the Kaikorai Stream which passes through our Dunedin property and is classified as reserve land under Dunedin city's proposed district plan. The application was lodged with the OIO on 17 September 2015. The OIO has requested supplementary information which was provided by Scott and JBS. We have requested an estimated date for completion of the approval process but the OIO has not provided a definitive timeframe. We are led to believe that the application is progressing well and we are hopeful of approval in March.

We will provide a further update to the market as soon as we can obtain an indication of timing from the OIO or we receive the required OIO approval. We are told that the final High Court approval shouldn't take long and settlement will take place within 5 business days following final High Court approval.

Yours faithfully



Stuart J McLauchlan
Chairman



Chris C Hopkins
Chief Executive & Managing Director

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.