

2 October 2013

Listed Company Relations
New Zealand Exchange Limited
PO Box 2959
WELLINGTON

Dear Sir/Madam

PURCHASE OF AUCKLAND PROPERTIES AND AMALGAMATION OF SUBSIDIARIES

Purchase of 155-161 Neilson Street, Auckland Properties

On 30 September 2013 Scott Technology Limited purchased the properties at 155-161 Neilson Street, Onehunga, Auckland which were leased by the Rocklabs division. The properties were purchased from Inchinnam Limited, the previous owner of the Rocklabs business. The purchase price was \$3.2 million and is fully funded by a bank loan from ANZ Bank. The properties are closely situated to key suppliers and transport links and there is scope for the redevelopment of the properties to improve the overall presentation along with efficiencies within the Rocklabs manufacturing process.

Amalgamation of Subsidiaries and New Zealand Trading Businesses

At the start of the company's financial year beginning 1 September 2013, the wholly owned subsidiaries of Rocklabs Limited, Scott Service International Limited, Scott Fabtech Limited and Betts Engineering Limited were amalgamated from a legal and financial perspective into Scott Technology NZ Limited. These businesses will continue to maintain their separate trading identities.

On 3 September 2013 the Dunedin, Christchurch and Reference Materials divisions were sold from the parent company, Scott Technology Limited, to the newly amalgamated subsidiary, Scott Technology NZ Limited. From this date all significant wholly owned New Zealand trading divisions will operate out of Scott Technology NZ Limited.

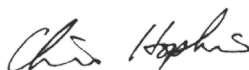
All transactions were undertaken at book value, with no impact on the financial performance or financial position of the consolidated Scott Technology group. There is no change to the underlying trading activities.

These changes were made to simplify our corporate structure and associated administration processes which leaves the parent company, Scott Technology Limited, as an investment holding company.

Yours faithfully



Stuart McLauchlan
Chairman
Scott Technology Ltd
(03) 477 8192



Chris Hopkins
Chief Executive
Scott Technology Ltd
(03) 478 8130