



F&T Industries Limited

Head Office: 8 Nicholson Street, Melbourne, Victoria, 3002. Box 1798. G.P.O., Melbourne, 3001
Cables and Telegrams: Efantee, Melbourne. Telex: 30183. Telephone: 662 2888

5th July, 1971.

CIRCULAR TO HOLDERS OF ORDINARY
SHARES IN STEGBAR LIMITED.

We refer to our circular of 4th June, 1971, which was accompanied by an offer to purchase all the Ordinary shares held by you in Stegbar Limited.

As we have not received your acceptance, we wish to remind you that the latest date on which the offer may be accepted is the 16th July, 1971, (subject to the Company's right of extension).

This Company now holds over 80% of the issued capital of Stegbar, and the receipt of acceptances still outstanding will facilitate the completion of the transaction without undue delay. If your share certificate(s) are not immediately available, please send the completed Acceptance Form, and send the share certificate(s) as soon as possible afterwards.

Yours faithfully,

R.I. Oehr
Secretary



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CIRCULAR TO HOLDERS OF ORDINARY SHARES IN STEGBAR LIMITED

On 19th May, 1971, this Company gave notice to the Directors of Stegbar Limited of a takeover scheme, and the offer to shareholders of that Company is now enclosed together with a copy of the statement given to Stegbar Limited pursuant to Part B of the Tenth Schedule of the Companies Act 1961. The Directors of Stegbar Limited have forwarded to this Company a statement pursuant to the requirements of Part C of the Tenth Schedule and a copy of this is also enclosed.

You will, no doubt, be interested to know some of the background of F & T Industries Limited which is making this takeover offer.

The origin of the Company goes back to 1921 when a company called Sydney Felt and Textiles Limited was formed in Sydney, primarily for the manufacture of felt blankets.

Over the years it has systematically expanded its range of products until its largest activity is now no longer in textiles but in the plastics field where it manufactures a wide range of electrical accessories, domestic utensils and components; also vinyl-coated fabrics, which are extensively used in the automotive, furnishing and clothing industries, and vinyl tiles. It is the largest manufacturer of carpets in Australia and of a wide range of non-woven products which are used in many different industries throughout the country.

Within the last two years the Company has withdrawn from a number of activities which were uneconomical and has been able, by the successful redeployment of the funds generated through the sale of those activities, to show a greatly increased profit.

At the present time the Company has 17,000 shareholders and its paid-up capital is \$8,479,962 in 25 cents shares. The latest half-yearly accounts show that the F & T group achieved a record consolidated net profit, after tax, of \$2,174,516 for the six months to 31st December, 1970. The Board has already declared an interim dividend of 12½% for the period.

The shares which will be issued in exchange for Stegbar shares will not participate in any final dividend declared in respect of the year ending 30th June, 1971, but they will rank *pari passu* with the other F & T shares in all future dividends and in all other respects.

It is intended that the business of Stegbar will be carried on with the present executive team and the interests of the executive management and employees of the Company, and their pension and other benefits, will be fully safeguarded.

WE BELIEVE THE OFFER TO BE A GENEROUS ONE BECAUSE—

- (a) With one F & T share plus an additional \$1.14 in cash for each Stegbar share now held, you will be showing a substantial capital appreciation and should also be able to look forward to an increase in your income.
- (b) The rising trend in earnings by F & T Industries Limited is illustrated in the figures set out in the report of Messrs. Peat, Marwick, Mitchell & Company dated 19th May, 1971, appended hereto, which is indicative of the success of the recent major reorganisation of the Company's activities.

The document enclosed herewith, headed OFFER, sets out details of the proposal for the acquisition of your holding in Stegbar Limited, and it is recommended that you should complete the "Form of Acceptance and Transfer" as soon as possible and return it in accordance with the undermentioned instructions :

How to Accept the Offer—

1. Sign the document headed "Form of Acceptance and Transfer".
2. Send the form of Acceptance and Transfer together with the certificate(s) for your ordinary shares in Stegbar Limited to F & T Industries Limited, Box 1798, G.P.O., Melbourne, 3001. An addressed envelope is enclosed.

If your share certificate(s) are not immediately available, send the Acceptance and Transfer Form and send the share certificate(s) as soon as possible afterwards.

By Order of the Board

R. I. OEHR,
Secretary.

4th June, 1971