



News Release

TO: THE BUSINESS EDITOR

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Information on Tenon Limited can be found at <http://www.tenon.co.nz>.

STOCK EXCHANGE LISTINGS: NEW ZEALAND (TEN), AUSTRALIA (TNN) & NEW YORK (FFS).

TENON REALISES FOREIGN EXCHANGE GAIN

Auckland, 11 March, 2004 – Tenon announced today that the Company has realised net foreign exchange gains of approximately \$9 million. The gain arose primarily from the closure of its United States denominated debt obligations that were maintained as a natural hedge against the Company's net cash flow derived in United States dollars.

Following the settlement of the forest sale to the Kiwi Consortium on 27 February 2004, the Company currently has no United States dollar denominated debt (excluding debt held by non-wholly owned subsidiaries), and holds foreign exchange option cover to protect against any significant short term appreciation of the New Zealand dollar against the United States dollar.

Approximately \$7 million of the foreign exchange gains relate to Tenon's continuing businesses. Tenon expects the earnings of its continuing processing, marketing and distribution businesses for the year to 30 June 2004 to exceed the projections contained in the explanatory memorandum, which was forwarded to shareholders earlier this year, by this amount.

Ends