



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 INITIATES CAPITAL RETURN TO SHAREHOLDERS

Auckland, 30 March 2004 – Tenon Limited will be distributing a \$349 million return of capital to its shareholders on Wednesday 31 March, 2004.

Under a share cancellation and return of capital programme authorised by shareholders and approved by the High Court, one out of every two Ordinary shares, and one out of every two Preference shares in Tenon Limited is being cancelled, and NZ\$1.25 per cancelled share is being paid to Tenon shareholders.

As previously advised to the market, the record date on the NZ Exchange for determining those shareholders that would participate in the share cancellation and return of capital was 5:00 pm last Friday, 26 March 2004.

Individual payments will be posted to shareholders, or made by direct bank credit to shareholders who have provided bank account details to the company's share registrar. Revised shareholder transaction statements will be posted to shareholders.

Payments to shareholders on the Australian Stock Exchange will be made in Australian dollars, at a NZ/AUS exchange rate of \$0.8708.

The Company's shares are currently trading on an ex capital return basis on both the NZ and Australian markets.

The effective date for entitlement for ADR holders on the New York Stock Exchange is the opening of business on 31 March 2004. Citibank NA, which administers the ADR programme, will advise ADR holders of the process for receiving their payment and amended shareholding records.

Ends