



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 QUERIES UNAUTHORISED RUBICON "INDUCEMENT" PAYMENTS

Auckland, 27 May, 2004 – The Independent Directors of Tenon Limited have today filed a complaint with the Takeovers Panel that Rubicon has made an unauthorised variation to its partial takeover Offer, by offering inducements to third parties to encourage acceptance by Tenon shareholders of Rubicon's Offer for Tenon shares.

Rubicon announced yesterday that it would pay a handling fee of between \$50 and \$750 per acceptance to Trading Participants on the NZX, who procure acceptance of its Offer from Tenon shareholders.

The Independent Directors consider that the introduction of the handling fee within the 14-day period prior to the closing date for the Rubicon Offer (during which no changes can be made to the Offer), constitutes an unauthorised change in the terms of the Offer.

The Independent Directors feel bound to advise shareholders that they believe an unauthorised inducement is being offered, and that they are seeking the views of the Takeovers Panel on this important issue.

The Independent Directors are aware that there is precedent for the action Rubicon has taken, and that no reputable broker or adviser would fail to advise their clients that they were receiving a benefit if their clients agree to sell their Tenon shares to Rubicon. However, the inducement payment should have been included in the formal Offer or in a variation sent to all shareholders in a timely manner, and prior to the 14-day period referred to above, to ensure that shareholders were adequately informed about this important issue.

The Independent Directors are also extremely concerned that, given the late stage of the Rubicon variation, being a week before the Rubicon offer closes, Rubicon has made it practically impossible for the Independent Directors to effectively communicate directly with shareholders on this issue.

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