



News Release

TO: THE BUSINESS EDITOR

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TENON SAYS RUBICON TAKEOVER OFFER GAINING LITTLE SUPPORT

Auckland, 28 May 2004 – The Chairman of Tenon Limited, Sir Dryden Spring, says the Rubicon partial takeover offer is gaining little support from Tenon's non-institutional shareholders. He issued the following statement today:

"Despite acceptances from some institutions, which were expected, there is very little support being obtained from non-institutional shareholders.

"Tenon shareholders appear to be heeding the Independent Directors' advice that Tenon is a transformed company, on track to generate good profits, and with strong growth prospects – while the Rubicon offer is unfair, undervalues the company, and offers no new strategies to replace current strategies which are generating real value for shareholders.

"Tenon's advisers ABN AMRO tell us that based on their analysis and information as to institutional investor intentions, the Rubicon offer almost certainly requires a substantial degree of support from small shareholders to succeed.

"Rubicon's initiatives this week lend weight to this view.

"Rubicon's costly 11th hour offer of financial inducements to certain advisers whose clients accept the offer and the late establishment of a call centre to mount a phone campaign promoting the offer to Tenon shareholders are desperate measures.

"These steps wouldn't be taken if the offer was showing any sign of gaining sufficient support from small shareholders.

"We are naturally disappointed that the Takeovers Panel has not upheld our complaint that the late introduction of the inducement is an unauthorised variation to the terms of the offer – but are heartened by the fact that, so far, the inducement seems to be having very limited impact."

ENDS