



News Release

TO: THE BUSINESS EDITOR
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Please note: If you do not receive 1 page(s) including this page, or if any page is not readable, please call the Marlene Krone immediately on telephone 64-9-571 9808.

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

STOCK EXCHANGE LISTING: NEW ZEALAND (TEN) (TENPA)

TENON CONFIRMS SECOND CAPITAL RETURN OF NZ\$321 MILLION

Auckland, 17 November 2004 – Tenon announced today that it was applying to the High Court for initial orders directing it to seek shareholder approval for a return of capital and associated share cancellation.

Under this second capital return (which is subject to receipt of a favourable tax ruling) Tenon will cancel three out of every four shares in the Company. Shareholders will receive \$1.5333 for each share cancelled, which equates to \$1.15 per share held before the cancellation. The total amount of this capital return will be approximately NZ\$321 million.

This proposed capital return, together with the first capital return of approximately \$350 million made in March 2004, equates to a total return of \$1.20 per share on issue prior to commencement of the forest sale process. This is the maximum aggregate amount of capital that the Company indicated to shareholders in February this year that it expected to return as a consequence of the forest sale.

Tenon will apply to the High Court for final orders sanctioning the capital return if, at the Company's Annual Shareholders' Meeting to be held on 22 December 2004, shareholders approve the capital return.

The Company expects the final orders from the High Court to be obtained in early February 2005, and the capital return completed and payment made to shareholders in late February 2005.

ENDS