



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 LISTING: NEW ZEALAND (TEN)

TENON ANNOUNCES FULL OWNERSHIP OF THE EMPIRE COMPANY, INC.

Auckland, 1 September 2005 – Tenon today announced that from early October 2005 it will move to 100% ownership of The Empire Company Inc. (Empire), currently 67% owned. The purchase price will be approximately USD30 million. The move follows receipt of notice from Empire's minority shareholder under the "put clause" in the Empire shareholders' agreement.

"We are very happy with the move to full ownership of Empire, as it is in line with our strategy of further growing our distribution business in North America," said Mark Eglinton, Tenon's Chief Executive designate. "We are also very pleased that the current management of Empire wishes to remain with the Tenon Group, as it allows Tenon continuity of the important customer relationships that Empire has established over the past decade."

As previously announced, Tenon is moving its operational head office to the United States, with Mark Eglinton starting work from the company's Maryland office on 1 October 2005. Tenon will, therefore, be in an excellent position to manage the move to full ownership of Empire.

Empire is one of the leading distributors and marketers of wood mouldings in the USA and the leading supplier of wood mouldings to the Lowe's chain – the second largest home improvement retailer in the United States.

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