

**RESULTS FOR ANNOUNCEMENT TO THE MARKET**

**Tenon Limited (Consolidated)**

Full year ended 30 June 2008

Preliminary full year report on consolidated results (including the results for the previous period) in accordance with Listing Rule 10.4.2. The Group's financial statements have been prepared in accordance with New Zealand International Financial Reporting Standards and are based on audited financial statements.

The Listed Issuer has a formally constituted Audit Committee of the Board of Directors.

The financial statements are presented in US\$ millions.

Reporting Period	12 months to 30 June 2008
Previous Reporting Period	12 months to 30 June 2007

	Amount US\$ millions	Percentage change
Revenue from ordinary activities	377	-4.3%
Profit (loss) from ordinary activities after tax attributable to security holders	3	-40.0%
Net profit (loss) attributable to security holders	3	-40.0%

	Amount per security	Imputed amount per security
Interim/Final Dividend	No dividend is proposed for the year	Not applicable
Record Date	Not applicable	
Dividend Payment Date	Not applicable	

Comments:	
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## RESULTS FOR ANNOUNCEMENT TO THE MARKET

## Tenon Limited (Consolidated)

Full year ended 30 June 2008

## 1 CONSOLIDATED INCOME STATEMENT

	Year ended June 2008 US\$ Millions	Year ended June 2007 US\$ Millions
Revenue	377	394
Cost of sales	(272)	(292)
<b>Gross profit</b>	<b>105</b>	<b>102</b>
Distribution expense	(79)	(74)
Administration expense	(17)	(15)
<b>Operating Profit</b>	<b>9</b>	<b>13</b>
<b>Analysed as:</b>		
EBITDA	16	20
Depreciation	(7)	(7)
<b>Operating profit before financing costs</b>	<b>9</b>	<b>13</b>
Net Financing expense	(6)	(7)
<b>Profit before taxation</b>	<b>3</b>	<b>6</b>
Income tax expense	0	(1)
<b>Net Profit after taxation</b>	<b>3</b>	<b>5</b>
<b>Attributable to:</b>		
Equity holders of the parent	3	5
<b>Net Profit</b>	<b>3</b>	<b>5</b>

## 2 STATEMENT OF CHANGES IN EQUITY

	Year ended June 2008 US\$ Millions	Year ended June 2007 US\$ Millions
Net profit attributable to:		
Net Profit	3	5
Net Profit	3	5
Other Recognised Revenues and Expenses for the period:		
Fair Value Gains / (losses) in year on hedges <sup>(1)</sup>	1	0
Revaluation reserve on acquisition <sup>(2)</sup>	0	1
Movement in Currency Translation Reserve	0	2
<b>Total recognised revenue and expenses</b>	<b>4</b>	<b>8</b>
Movement in shareholder equity:		
Share Buy Back	0	(1)
<b>Total movement in shareholder equity</b>	<b>4</b>	<b>7</b>
Total Group Equity at the beginning of the period comprising		
Parent Shareholders' Interest	129	122
Total Group Equity at the end of the period, comprising		
<b>Parent Shareholders' Interest</b>	<b>133</b>	<b>129</b>

(1) The Hedging reserve records the portion of the gain or loss on a hedging instrument in a cashflow hedge that is determined to be an effective hedge. As at 30 June 2008 the balance comprises of the fair value gain on a hedge for cost of electricity at Taupo and interest rate swaps.

(2) On 3 November 2006, the Group announced that it had exited its 50% investment in American Wood Mouldings ("AWM") and acquired 100% of the Ornamental Mouldings Group of companies ("OMI"). As the Group had previously held an indirect 25% shareholding in OMI through its investment in AWM, the acquisition of OMI is treated as a two step acquisition for accounting purposes and accordingly, under NZ IFRS 3, Tenon's share of the reserves of OMI when it was an associate is recognised as a revaluation reserve on consolidation.

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## Tenon Limited (Consolidated)

Full year ended 30 June 2008

## 3 CONSOLIDATED STATEMENT OF CASH FLOW

	Year ended June 2008 US\$ Millions	Year ended June 2007 US\$ Millions
Cash was provided:		
Receipts from Customers	377	396
Income Tax Refund (Paid)	1	(4)
Total Provided	378	392
Payments to Suppliers, Employees and Other	352	378
Total Applied	352	378
<b>Net Cash from / (to) Continuing Operating Activities</b>	<b>26</b>	<b>14</b>
Purchase of Fixed Assets	(3)	(4)
Settlement of Deferred liability	(8)	0
Purchase of Subsidiary	0	(20)
Cash acquired on purchase of Subsidiary	0	3
<b>Net Cash to Investing Activities</b>	<b>(11)</b>	<b>(21)</b>
Debt Drawdowns	86	50
Debt Settlements	(97)	(37)
Interest Paid	(5)	(5)
Share Buy Back	0	(1)
<b>Net Cash from Financing Activities</b>	<b>(16)</b>	<b>7</b>
<b>Net Cash to Discontinued Operations</b>	<b>0</b>	<b>(1)</b>
<b>Net Movement in Cash Held</b>	<b>(1)</b>	<b>(1)</b>
Opening Cash and Liquid Deposits	2	3
<b>Closing Cash, Liquid Deposits and Overdrafts</b>	<b>1</b>	<b>2</b>
<b>Net Earnings</b>	<b>3</b>	<b>5</b>
Add back Net Financing Expense	6	7
Adjustment for items not involving cash:		
Depreciation	7	7
Taxation	1	(3)
Cash Flow from Operations before Net Working Capital Movements	17	16
Trade and other receivables	1	(1)
Inventory	8	5
Trade and other payables	0	(6)
<b>Net Working Capital Movements</b>	<b>9</b>	<b>(2)</b>
<b>Net Cash from / (to) Continuing Operating Activities</b>	<b>26</b>	<b>14</b>

## RESULTS FOR ANNOUNCEMENT TO THE MARKET

## Tenon Limited (Consolidated)

Full year ended 30 June 2008

## 4 CONSOLIDATED BALANCE SHEET

	As at June 2008 US\$ Millions	As at June 2007 US\$ Millions
<b>Current assets</b>		
Cash and Liquid Deposits	1	3
Inventory	63	71
Trade and Other Receivables	51	53
Current Tax asset	0	2
<b>Total Current Assets</b>	<b>115</b>	<b>129</b>
<b>Non Current Assets</b>		
Fixed Assets	42	45
Non Current Assets Held for Sale	1	0
Goodwill	67	67
Deferred Taxation Asset	7	7
<b>Total Non Current Assets</b>	<b>117</b>	<b>119</b>
<b>Total Group Assets</b>	<b>232</b>	<b>248</b>
<b>Current liabilities</b>		
Bank Overdraft	0	1
Trade and Other Payables	26	27
Current Debt	4	74
Deferred Settlement	9	16
Current Liabilities - Discontinued Operations	1	1
<b>Total Current Liabilities</b>	<b>40</b>	<b>119</b>
<b>Non Current Liabilities:</b>		
Non Current Debt	59	0
<b>Total Non Current Liabilities:</b>	<b>59</b>	<b>0</b>
<b>Total Group Liabilities</b>	<b>99</b>	<b>119</b>
<b>Group Equity</b>		
Capital	533	533
Reserves	(400)	(404)
<b>Total Group Equity</b>	<b>133</b>	<b>129</b>
<b>Total Group Liabilities and Equity</b>	<b>232</b>	<b>248</b>

**RESULTS FOR ANNOUNCEMENT TO THE MARKET**

**Tenon Limited (Consolidated)**

Full year ended 30 June 2008

**OTHER MATTERS**

**5 MATERIAL ACQUISITION OF SUBSIDIARY**

(a) Name of subsidiary or group of subsidiaries	N/A
(b) Percentage of ownership acquired	N/A
(c) Contribution to consolidated profit after tax	N/A
(d) Date from which such contribution has been calculated	N/A

**6 DETAILS OF ASSOCIATES AND JOINT VENTURES**

(a) THE GROUP HAD A MATERIAL INTEREST (FROM THE GROUP'S VIEWPOINT) IN THE FOLLOWING CORPORATIONS:

Name	Percentage of ownership interest As at 30 June 2008		Contribution to Net Profit after Taxation	
	As at 30-Jun-08	As at 30-Jun-07	Year ended 30-Jun-08 US\$ Millions	Year ended 30-Jun-07 US\$ Millions
<b>Equity Accounted Associates</b>			<i>Equity Accounted</i>	
American Wood Mouldings LLC <sup>(1)</sup>	0.0%	0.0%	0	(1)
American Moulding S. de R.L de C.V. <sup>(2)</sup>	0.0%	0.0%	0	1
			0	0

(1) On 3 November 2006, the Group announced that it had exited its 50% investment in American Wood Mouldings ("AWM") and acquired 100% of the Ornamental Mouldings Group of companies ("OMI").

Tenon's 50% share of AWM's loss of \$1.2 million (\$0.6 million Tenon's share) for the period up to the date of sale is included in Earnings from Associates.

(2) The Group sold its 50% investment in American Moulding S. de R.L de C.V. ("AWM Mexico") to Manhattan Holdings, LLC for a Promissory note (receivable in May 2009 ) of \$475,000. The gain on sale of AWM Mexico, \$0.6 million, has been included in Earnings from Associates in the 2007 year. Accordingly , the AWM Groups' net contribution to Tenon's earnings in the period was nil in the 2007 year.

(b) INVESTMENTS IN ASSOCIATES

Carrying value of investments in associates at beginning of period  
Earnings of associates before dividends - continuing operations  
Associates disposed of during year  
Carrying value of investments in associates at the end of period

	As at 30-Jun-08 US\$ Millions	As at 30-Jun-07 US\$ Millions
	0	20
	0	(1)
	0	(19)
	0	0

**7 NET ASSET BACKING PER SHARE**

**NZ\$**  
Net assets per share  
Net tangible assets per share  
**US\$**  
Net assets per share  
Net tangible assets per share

	As at 30-Jun-08 Cents per share	As at 30-Jun-07 Cents per share
	NZ 2.62	NZ 2.51
	NZ 1.16	NZ 1.07
	US 1.99	US 1.93
	US 0.88	US 0.82

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Tenon Limited (Consolidated)

Full year ended 30 June 2008

8 EARNINGS PER SHARE

US\$ Basic / diluted earnings per share information:

Basic Continuing operations  
Diluted Continuing operations

Year ended 30-Jun-08 Cents per share	Year ended 30-Jun-07 US Cents per share
US 4.9 cps	US 7.1 cps
US 4.9 cps	US 7.1 cps

9 COMMENTS BY DIRECTORS

- (a) Material factors affecting the Tenon Group for the current full year.  
See attached media release
- (b) Significant trends or events since end of the current full year.  
N/A
- (c) Management's discussion and analysis of financial condition, result, and/or operations (optional)  
See attached media release

10 DIVIDENDS

NIL

11 CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies during the period

12 COPY OF AUDIT REPORT

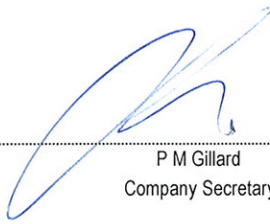
Refer Attached

13 ANNUAL MEETING

- (a) To be held at TBA
- (b) Date TBA Time: TBA
- (c) Approximate date the Financial and Operating Report will be available: Late September 2008

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This Report was approved by a resolution of Directors on 27 August 2008



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P M Gillard  
Company Secretary

27 August 2008

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Full year ended 30 June 2008

Appendix 1

## Secondary reporting format - geographic segment

June 2008	North	New	Total
	America	Zealand	
	US\$m	US\$m	US\$m
Revenue	364	91	455
Inter Company Operating Revenue <sup>(1)</sup>	-24	-54	-78
<b>Operating Revenue</b>	<b>340</b>	<b>37</b>	<b>377</b>
<b>Total Assets - Continuing Operations</b>	<b>186</b>	<b>46</b>	<b>232</b>
<b>Capital Expenditure</b>	<b>10</b>	<b>1</b>	<b>11</b>

June 2007	North	New	Total
	America	Zealand	
	US\$m	US\$m	US\$m
Revenue	379	89	468
Inter Company Operating Revenue <sup>(1)</sup>	-20	-54	-74
<b>Operating Revenue</b>	<b>359</b>	<b>35</b>	<b>394</b>
<b>Total Assets - Continuing Operations</b>	<b>200</b>	<b>48</b>	<b>248</b>
<b>Capital Expenditure</b>	<b>23</b>	<b>1</b>	<b>24</b>

(1) Segmental revenue include transfers between geographical segments. Such transfers are accounted for at competitive market rates charged to unaffiliated customers for similar goods. Transfers are eliminated on consolidation.