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

STOCK EXCHANGE LISTING: NEW ZEALAND (TEN)

TENON EARNINGS GUIDANCE

22 July 2011 - Tenon announced today, that despite the negative impact rising fuel prices and severe storms in the important April-May spring period (i.e. the period immediately following Tenon's earnings guidance issued earlier this year) had on retail home improvement spending in the United States, the Company expected its reported EBITDA (i.e. earnings before interest, tax, depreciation and amortisations) for the fiscal year ending 30 June 2011 would be approximately USD 8 million.

This number is subject to the normal year-end audit process which is not yet complete.

This result will include approximately USD 2 million from the positive revaluation of its forest assets as required under IFRS. These remaining forests held by Tenon are a partial hedge to changing log-input costs at its Taupo sawmill. The Company said that in the 2011 fiscal year just completed, the increased log-input cost to the Taupo site from rising domestic log prices (a result of strong China demand for NZ logs) approximates the USD 2 million forest revaluation included in earnings.

Full commentary on Tenon's fiscal 2011 year performance will be included in its full year disclosures to the NZX in mid-late August.

ENDS

There are statements in this document that are "forward-looking Statements." As these forward-looking statements are predictive in nature, they are subject to a number of risks and uncertainties relating to Tenon, its operations, the markets in which it competes and other factors (some of which are beyond the control of Tenon). As a result of the foregoing, actual results and conditions may differ materially from those expressed or implied by such statements. In particular Tenon's operations and results are significantly influenced by the level of activity in the various sectors of the economies in which it competes. Fluctuations in industrial output, commercial and residential construction activity, changes in availability of capital, declining housing turnover and pricing, declining levels of repairs, remodelling and additions to existing homes in North America, relative exchange rates, interest rates in each market, and profitability of customers, can have a substantial impact on Tenon's results of operations and financial condition. Other risks include competitor product development and demand and pricing and customer concentration risk.