



## News Release

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STOCK EXCHANGE LISTING: NEW ZEALAND (TEN)

### Tenon Issues Earnings Update

**3 February 2017** Today Tenon announced earnings guidance for its Clearwood (only) business for the fiscal year ended June '17. The previous estimate for Clearwood of US\$11.8 million EBITDA in Grant Samuel's Report issued on 25 October '16 has been revised down to US\$10.5 million (excluding FX gains/losses and Tenon corporate costs). This estimate, which now reflects the 6 months management results recorded to 31 December, also updates for changes in operational factors (e.g. product mix and input costs), and assumes average FX rates for the fiscal year of Euro:NZD 0.66 and USD:NZD 0.71 (Euro:NZD 0.64 and USD:NZD 0.71 per Grant Samuel's Report October'16). Tenon has no outstanding FX hedging contracts in place.

This update is consistent with Tenon's previous announcements made on 23 December 2016 and 6 January 2017 which stated an "updated [Grant Samuel] report would take into account, amongst other things, average adverse currency movements..."

The Company said that it would announce its Half Year result later in February, which, in addition to Clearwood's earnings, will include the earnings of its Australian activities (closed in the period) and its North American operations (sold in the period, and treated as discontinued), as well as FX gains/losses and other income and expenses arising in the period (for example, Tenon corporate costs) not included in Clearwood's earnings.

Ends

#### FORWARD-LOOKING STATEMENTS

There are forward-looking statements included in this document. As 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, 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, particularly in New Zealand, Europe, and North America. Fluctuations in industrial output, commercial and residential construction activity, capital availability, housing turnover and pricing, levels of repairs, remodelling and additions to existing homes, new housing starts, relative exchange rates, interest rates and profitability of customers, can each have a substantial impact on Tenon's results of operations and financial condition. Other risks include competitor product development, product demand and pricing, input costs and customer concentration risk.