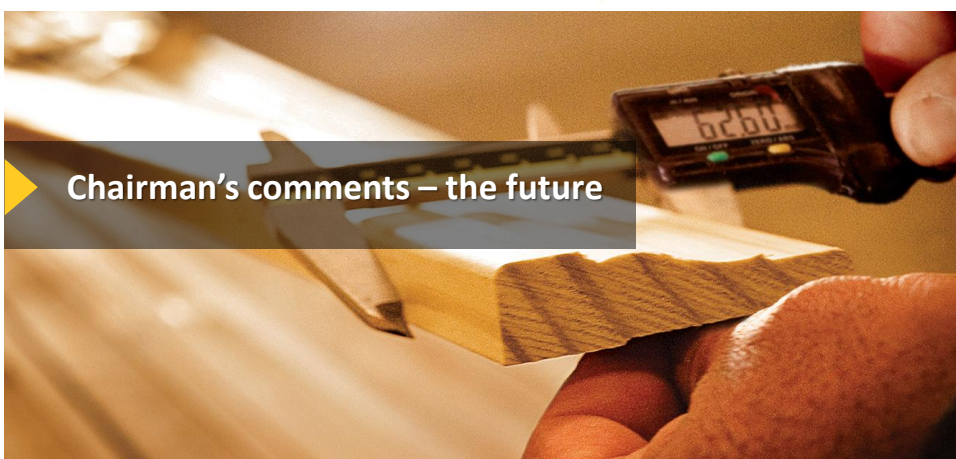


Annual Shareholders' Meeting - 2013



Chairman's comments – the future

Luke Moriarty - Chairman

Chairman's address – discussion items

- Earnings outlook for 2014
- Share price performance



Earnings outlook - 2014

- Barring unforeseen events ...
- EBITDA¹ for the **first six months of fiscal 2014** ...
will **equal** that reported for the **entire 12 months** of fiscal 2013
- Very positive news
- We are off to a strong start to 2014

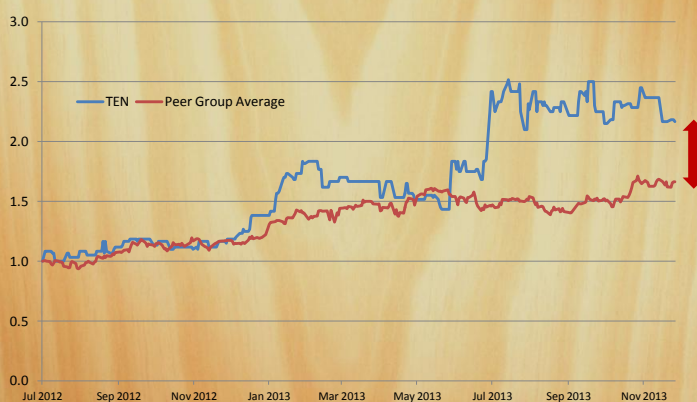


Share price performance – similarly positive path



Share price performance – similarly positive path

Tenon Share Price Performance Relative to Peers



- Tenon trading on lower multiple than US-based companies in sector
- Edison analyst report determined Tenon > NZ\$2.00 + per share
- 50% higher than the current Tenon share price

Share price value gap – three reasons / initiatives

#1 Lack of liquidity in Tenon shares

- Top 3 shareholders own 80%+ of Tenon share register
- Do not trade – see much greater value than today's share price
- ⇒ Tenon's free float is much smaller than usual
- Share price can “gap down” on small traded volumes
- To help address this and provide liquidity for smaller trades –

Tenon 2,000 Share Plan

- Brokerage free opportunity
- Shldrs with less than 2,000 shares can buy ↑2,000 shareholding
- Shldrs with less than 500 shares can sell out
- Plan documentation will be sent out to shareholders later this week

Share price value gap – three reasons / initiatives

#2 Tenon is not currently making cash returns to shareholders

- Reflection of unprecedented industry conditions – US housing recession
- However, IF -
 - Market conditions and Tenon's earnings continue to recover
 - ... in line with our internal forecasts
 - ... and assuming no unforeseen events

We should be in a position to begin making cash returns in 2014

- ... following completion of our 30 June 2014 fiscal year

Share price value gap – three reasons / initiatives

#3 NZ share trading ≠ core US business market

- 90% of revenue is derived from the US market
- Majority of operations also located in US
- But shares only trade in NZ
 - Limited news of US housing market changes
 - Sparse knowledge of Tenon's sector and competitors
- So, to address this, in 2014, we will -

Consider increasing Tenon's equity exposure to the US

- News flow on our sector is greater
- Comparable company multiples are more favourable
- Generate new interest in Tenon's shares
- e.g. Dual NZ-US share listing

Complete company review – value maximisation goal

Enhancing share price momentum is "top of mind"

Conclusion

- Activity & initiatives support confidence in our future
- Well placed to take advantage of US housing recovery
 - Operational and strategic initiatives put in place during down-turn
 - New US\$70 million bank debt facility established in September
- Will continue our search for growth – organic and acquisitive
- **2014 will be a busy and productive year!**

Non-GAAP measures

¹ EBITDA stands for Earnings before Interest, Tax, and Depreciation and Amortisations. EBITDA is a non-GAAP measure, not recognised within IFRS. As it is not uniformly defined or utilized this measure may not be comparable with similarly titled measures used by other companies. Non-GAAP financial measures should not be viewed in isolation nor considered as a substitute for measures reported in accordance with IFRS. Tenon uses EBITDA when discussing financial performance because we believe the measure provides useful comparative earnings information and because it is used internally to evaluate performance. EBITDA is also a widely used earnings measure used in the investment community, particularly by equity analysts when focusing on comparable company performance, as the measure removes distortions caused by differences in asset age and depreciation policies. For fiscal 2013, Tenon's EBITDA reconciliation to its IFRS reported earnings measure of Net Profit / (Loss) after Taxation was as follows -

Net Profit / (Loss) after taxation of US\$(3) million – income tax benefit of US\$ nil + Financing Costs of US\$4 million + depreciation and amortisations of US\$4 million = EBITDA US\$5 million.

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). 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. Amongst other things, fluctuations in industrial output, commercial and residential construction activity, changes in availability of capital, changes in housing turnover and pricing, changes in the levels and types of housing repairs and remodelling and additions to existing homes in North America, relative exchange rates, interest rates in each market, profitability of customers, competitor product development, demand and pricing, and customer concentration risk can each have a substantial impact on Tenon's results of operations and financial condition. As a result of the foregoing, actual results and conditions may differ materially from those expressed or implied by such statements. Valuations (company, business and product) are inherently subjective, and Tenon makes no warranty or undertaking as to information included herein, and actual outcomes could differ materially from any value or financial information and assumption included herein. The information contained herein is, subject to the assumptions used, believed to be materially accurate as at the date of this document (or as at the date otherwise noted in this document) but Tenon gives no warranty of accuracy or reliability and take no responsibility for accuracy or reliability. No investment decision should be taken on the basis of information contained herein.