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From:

News Release

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Information on Tenon Limited can be found at <http://www.tenonglobal.com>.

STOCK EXCHANGE LISTING: NEW ZEALAND (TEN)

Tenon Announces Enhancements to Syndicated Bank Facility

Auckland, 4 May 2015

Tenon announced today that it had agreed amendments to its existing Syndicated Bank Facility, which will deliver the Company greater funding flexibility moving forward. These amendments have been agreed by all Syndicate members, and, are effective immediately.

The amended Agreement now provides for -

- A 5-year Facility, with expiration not until May 2020
- An increased Facility size, to US\$75 million
- More favourable funding rates
- Elimination of the fixed charge coverage covenant (FCCR¹), unless Availability² falls below certain minimum limits
- Greater flexibility in relation to shareholder distributions (i.e. share buybacks and dividends)

Adam White, Tenon's CFO, said –

“That we have been able to favourably renegotiate our Banking arrangements at this time, is a reflection not only of Tenon's improved financial performance and outlook, but also of the strength of our Syndicate relationship. And with these enhancements to the debt side of our balance sheet we can now look forward to accessing opportunities with greater flexibility as they arise.”

¹ Defined as [EBITDA – capital expenditure – cash tax paid] / (interest + term loan paid + distributions paid)
EBITDA is a non-GAAP measure, and is not recognised within IFRS. It is defined as Earnings Before Interest, Tax, Depreciation and Amortisation.

² Availability is the difference between the amount drawn and the borrowing limit under the Facility (as adjusted by available collateral)