

TENON UPDATES MARKET



RUBICON

23 December 2016 - Rubicon Limited's 59.78% subsidiary Tenon Limited filed the attached News Release today.



News Release

From: Paul Gillard – General Counsel & Company
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Information on Tenon Limited can be found at <http://www.tenonglobal.com>.

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Released 23 December 2016

Tenon announced that it has completed its court-approved capital return and share cancellation. This share reconstruction and cash return of US\$71 million pro-rata to Tenon shareholders (paid today), arose out of Tenon's strategic review of its North American distribution operations, which resulted in the business being sold, on 1 December 2016 (New York time), for US\$110 million.

In relation to the second strategic review that the Company is currently undertaking, over its NZ-based Clearwood operations, Tenon announced today that it has entered into exclusivity with one party, with the intent of signing a binding sale and purchase agreement. The proposal is conditional upon a number of items (including Tenon shareholder and court approvals) which Tenon is currently assessing.

Grant Samuel will be asked to prepare an updated independent report to Tenon shareholders once final agreement has been reached. That report will take into account, amongst other things, the average adverse currency movements that have occurred year-on-year (US\$0.67 in fiscal'16 to US\$.71 estimated for fiscal'17; Euro0.60 in fiscal'16 to Euro0.66 estimated for fiscal '17).

If Clearwood is sold, Tenon will have no remaining operational assets. Accordingly, the Company would then be liquidated, with all surplus cash returned to shareholders. As previously advised to shareholders, the liquidation would require the complete wind-up of the Company (which is the 'old' Fletcher Challenge Limited'), which in turn would require the incurrence of cost by Tenon. Although these costs are (at this stage) uncertain and subject to change, they are currently estimated to be circa US\$8 million.

To: NZX

From: Pam Wardenburg
Telephone: 64-9-356 9800

Further information on Rubicon Limited can be viewed at the Rubicon web site, at <http://www.rubicon-nz.com>.

Tenon also announced today that Rodger Fisher would be stepping down from the Tenon Board with effect from 31 December 2016. Mr Fisher's departure was signalled in Tenon's Notice of Meeting for the Company's Annual Shareholders Meeting. Tenon's Chairman, Luke Moriarty, said "Rodger has been a highly-valued member of the Board since the Company's inception and listing in 2001. He participated in the highs and lows of the US housing cycle and the Global Financial Crisis, and made an extremely valuable contribution to this Company throughout. We wish him well for the future." Mr Stephen Walker has been appointed to the Board as Rodger's replacement. Mr Walker brings to the Board a wealth of experience in investment management, financial markets and governance. He is Executive Officer of Methodist Trust Association and a director of Wood Engineering Technology Limited. The Tenon Board has determined that Mr Walker is an independent director.

ENDS

To: NZX

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