

## Annual Shareholders' Meeting - 2014



### FORWARD-LOOKING STATEMENTS

*There are statements in this presentation 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 Rubicon, and our Tenon and ArborGen investments, some of which are beyond our control. As a result of the foregoing, actual results and conditions may differ materially from those expressed or implied by such statements. Tenon's risks and uncertainties include - that its operations and results are significantly influenced by the level of activity in the various sectors of the economies in which it competes, particularly in North America. Fluctuations in industrial output, foreign exchange changes, commercial and residential construction activity, capital availability, housing turnover and pricing, levels of repair and 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. ArborGen's risks and uncertainties include (in addition to those of Tenon) - the global markets and geographies in which it operates, intellectual property protection, regulatory approvals, public and customer acceptance of genetically engineered products, customer adoption of advanced seeding products, the success of ArborGen's research and development activities, weather conditions and biological matters. As a result of the foregoing, actual results and conclusions may differ materially from those expressed or implied by such statements.*

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**Hugh Fletcher**  
Meeting Chairman

## ArborGen

### Goal remains to “IPO” ArborGen

- To secure the funding of the company
- Open up direct liquidity in ArborGen’s shares
- Partners are aligned

### ArborGen can be IPO’d

- Optimal mix of equity market conditions and business progress to execute
  - To set appropriate initial value
  - At minimum dilution
  - To raise sufficient capital to secure future growth

### Timing?

- Prefer ‘sooner rather than later’ – waiting can be frustrating
- Partners charged with choosing when to proceed - no misalignment
- Timing is critical
- All necessary steps are either completed or underway

## Rubicon – share price ‘frustration’

### ▪ Rubicon share price

- Hasn’t tracked the progress made by Tenon and ArborGen
- Is a poor reflection of the long-term value of Tenon and ArborGen

### ▪ Edison analyst report (September)

- Tenon ...
  - NZ\$2.50 per share (vs NZ\$1.74 today)
  - Much higher again on a change of control
- ArborGen (last report)...
  - US\$350 million for core business
  - US\$300 million for growth opportunities over time
  - vs US\$225 million in our share price today

## Rubicon – share price ‘value gap’

- In the past 18 months Tenon share price ↑ 50%
  - Should have increased RBC’s share price - but hasn’t!
- Implication is ArborGen value has decreased in RBC share price
  - Clearly not the case – given positive progress to business plan
  - Value of ArborGen should have increased
- Share price not recognising progress being made, because -
  - Illiquidity of RBC shares - top 6 shareholders own 75%
    - Buyback would fix this – but need to conserve cash for ArborGen
  - Market is waiting for ‘events’ to occur to support value
    - Frustrating – shouldn’t need to sell to prove value
    - Unless consistent with strategy – eg ArborGen IPO

## Resolutions

### Resolution 1

To re-elect Hugh Fletcher as a Director

### Resolution 2

To re-elect George Karaplis as a Director

### Resolution 3

To authorise the Directors to fix the fees and expenses of KPMG as the Company’s Auditor for the ensuing year