

Rubicon acquires US-based ArborGen Inc



29 June 2017 – Rubicon announced today that it had taken full ownership of the US-based advanced forestry genetics company, ArborGen Inc (“ArborGen”), after buying out its partners International Paper (NYSE:IP) and WestRock (NYSE:WRK).

Mr Kasnet, the Chairman of Rubicon, said “We are absolutely delighted to have been able to complete this deal. ArborGen has built an undisputed leadership position in global forestry genetics. Its strategic positioning and operational execution are second to none. ArborGen has always been core for us - we are a founding partner of the business, and we have for some time been keen to extend our involvement to help the company realise its full promise. We are fully supportive of, and excited about, its growth potential.”

Mr Kasnet said the stockholders’ agreement that was created upon the initial establishment of ArborGen incorporates clear mechanics for the buy-out of existing partners.

The purchase price of US\$29 million is to be paid in three tranches - US\$14 million on closing (today), US\$5 million on 31 December 2017, and US\$10 million on 30 June 2018. Mr Kasnet said “The structure of the deferred purchase price payment schedule, together with the Rubicon US\$12.5 million share placement announced today (refer separate announcement), ensures there will be no demands on remaining shareholders for equity capital in order to complete this transaction.” The payments outstanding under the two deferred tranches are secured by a pledge to International Paper and WestRock of all of Rubicon’s shares in ArborGen.

The Company said that there are warrants and options outstanding representing approximately 10% of ArborGen’s share capital. “Grossing-up the purchase price for those, and for ArborGen’s normalized debt position, implies an enterprise value of circa US\$100 million,” he said.

Commenting on the rationale for International Paper and WestRock exiting their respective ownership positions, he said “Much has changed with our partners in terms of their own strategic agendas, which has now delivered this acquisition opportunity for us. We fully understand that ArborGen is no longer within each of their core mandates, and we wish them well in those endeavours.”

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