

Rubicon announces further ArborGen expansion



1 November, 2018 – Rubicon announced today that ArborGen Inc (“ArborGen”) has entered into a series of agreements with certain subsidiaries of TexMark Timber Treasury, L.P. (“Triple T”) - a joint venture between CatchMark Timber Trust, Inc. and a consortium of large institutional investors, that recently completed the acquisition of Campbell Global’s US\$1.4 billion of timberlands located in Texas, US.

The primary agreement is a lease, pursuant to which ArborGen will lease the Triple T nursery and seed orchard properties located in Texas. This agreement includes a call option that gives ArborGen the right to acquire the leased properties, and a corresponding put option that gives Triple T the right to sell the leased properties, for US\$2.5 million payable upon the expiration of the 5-year lease period. ArborGen’s current intention is that it will exercise the call option at the end of the lease period. The lease agreement (and subsequent call option exercise) will allow ArborGen to increase its annual nursery production capacity and sales by approximately 30 million seedlings per annum (effective from the next production season beginning 1 April 2019 when the lease agreement takes effect), and also immediately expand its productive seed-orchard capacity (including advanced genetics seed) in the important Texas region.

ArborGen has also entered into an exclusive multi-year agreement to supply Triple T all of its Texas seedling requirements for an initial term of 5 years, with term-renewal periods thereafter.

Dave Knott, the ArborGen and Rubicon Chairman, said, “We are delighted to partner with Triple T and expand our productive capacity in a core loblolly plantation area in the US Southeast. This new relationship with Triple T will allow us to make our broad portfolio of loblolly seedling genetics more accessible to landowners in the Texas region, and we look forward to providing our industry expertise and customer service to these landowners.” The Triple T nursery will become the eighth operational nursery location for ArborGen in the US-South, further expanding its advanced genetics loblolly seedlings supply in the Southeast.

About ArborGen

ArborGen is the largest commercial global seedling supplier and a leading provider of advanced genetics, for the forest industry. Employing state-of-the-art technology, ArborGen is developing high-value products that significantly improve the productivity of forestry. For more information, please visit ArborGen’s website at www.arborgen.com.

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