

### Stephen Kasnet – Chairman's address

Ladies and Gentlemen –

While Luke noted that the Tenon share price has improved significantly, there is no disagreement that the Rubicon share price has disappointed – and that is just unacceptable to us. Last year we said quite clearly to you, that, unless the RBC share price improved, we would take direct action to unlock value for shareholders. And that is exactly what we are now doing with our Tenon investment, with the strategic initiatives recently announced by Tenon – i.e. the commencement of dividends (which flow through to Rubicon) and the Strategic Review.

As Luke just outlined, the purpose of the Tenon Strategic Review is to determine the risk-adjusted path most likely to close the Tenon share price value gap. This is very important to Rubicon, because unlocking value in Tenon should also unlock value for Rubicon shareholders. For pragmatic governance reasons, this Review process falls outside Rubicon's control, and resides with the Tenon Board. However, given the financial complexity involved, Tenon has employed Deutsche Bank to assist it in this endeavour. As things happened, following the announcement of the Strategic Review process Tenon received 'in-bound' interest in Tenon from third parties. This alternative is now being fully investigated, in order to determine whether a sales path provides the best outcome for shareholders – and Deutsche Bank has been asked to do that by way of a formal process.

Our general understanding is that to date the process is proceeding well, to plan – but we will need to wait for further updates from Tenon, which we do not expect until the New Year. We will keep you 'in the loop' as events unfold.

In relation to ArborGen developments, Luke has outlined the 'sooner rather than later' approach that the partners are applying to unlocking value in ArborGen. The strategy for that will come out of the ArborGen capital review that is currently underway – that review must logically come first.

One factor that may impact that discussion, is recent developments in relation to the ArborGen employee law suit. I had hoped to update you today on the outcome of the case, however to date there has been no decision ... although the South Carolina lower court judge has indicated that he intends to rule in favour of the nine plaintiffs. The plaintiffs (and their counsel) are seeking approximately \$53 million in damages, fees and costs (jointly and severally) from ArborGen, the three partners and their representatives. We have made our stance on this matter very clear – we intend to vigorously appeal any adverse outcome. Any appeals process could take some considerable period of time to be determined. Unfortunately there is nothing else I can add to that statement today.

Thank you – that ends my formal comments today.