

Annual Shareholders' Meeting - 2013

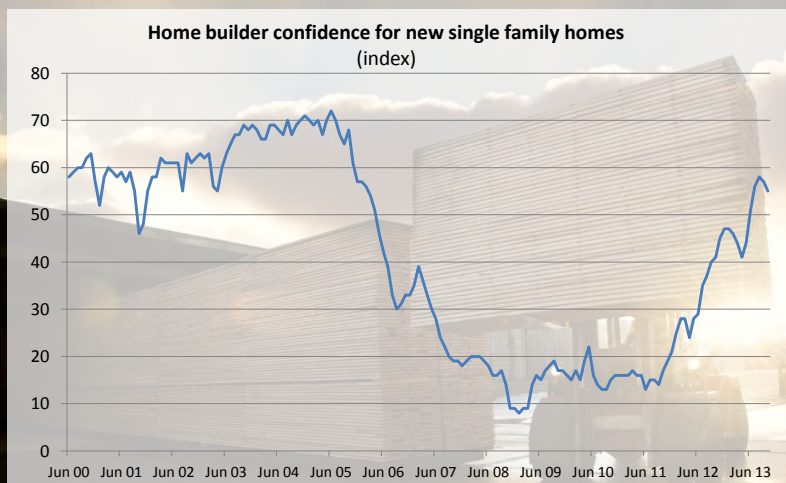
Luke Moriarty

CEO

Tenon – 2013 was a recovery year

- US housing market represents > 90% of Tenon's revenue
- After 6 years wait ... housing market began early stage of full recovery
- **New home construction** data (2013 v 2012)-
 - US housing starts ↑25%+ year-on-year
 - Construction permits ↑17%
 - Sales of new homes increased ↑26%, prices were up ↑11%
 - New home inventory ↓ to only 4.3 months of supply
 - Home builder confidence reached levels not seen since 2006

Tenon – 2013 was a recovery year



Tenon – 2013 was a recovery year

- A similarly positive story for **existing homes data** (2013 v 2012) -
 - Prices \uparrow 12%, year-on-year
 - Sales volume \uparrow 15%
 - Inventory of existing homes for sale \downarrow to 5 months of supply
 - Pending sales index ended the year \uparrow 11% than it started

Tenon – 2013 was a recovery year

- Although early in recovery, was still reflected in **Tenon's 2013 results** -
 - Revenue of US\$364m, ↑ US\$30m on the prior year
 - Revenue from new US home builder customers ↑ 25%
 - Net Earnings = market guidance previously provided
 - EBITDA¹ ↑ from a loss of US\$(3)m to a profit of US\$5m



Tenon – 2014 earnings outlook

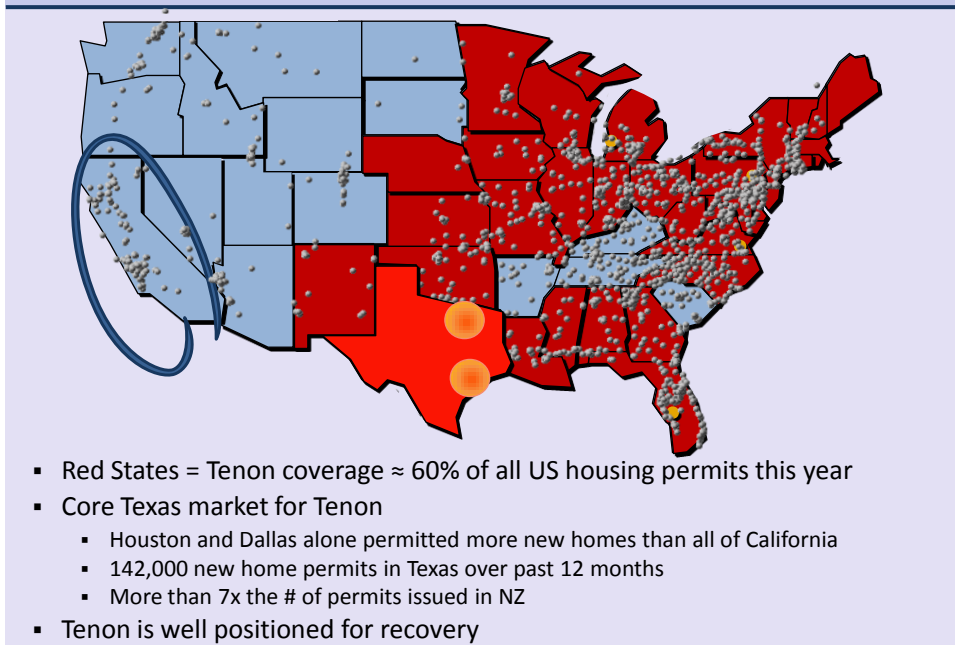
- Tenon is **targeting a doubling of EBITDA in fiscal 2014**
- Already off to a strong start to the year
- Expects EBITDA for the first six months of fiscal 2014 ...
to equal that recorded for the entire 12 months of 2013



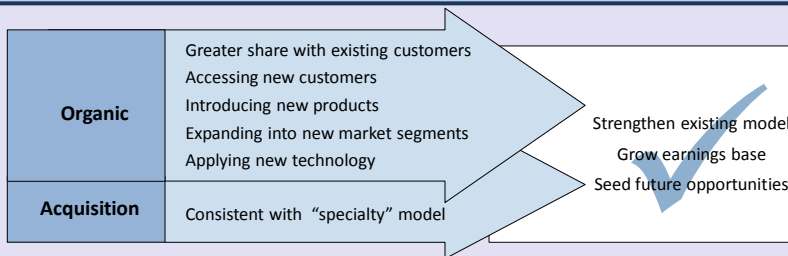
US housing market recovery – only just beginning



Tenon – presence in key new house building States



Tenon - established growth model



During the down-cycle -

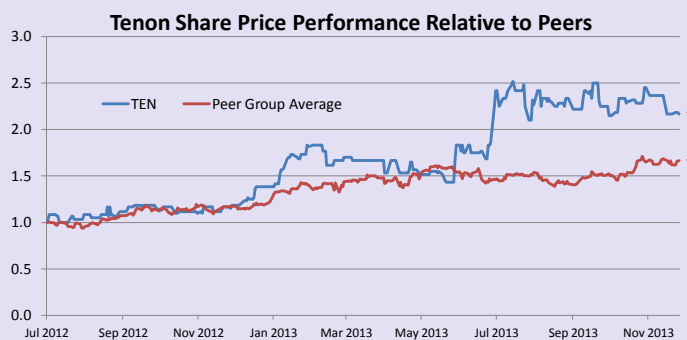
- New home construction -
 - Doubled revenue base with professional builder segment
 - Supplying into leading regional pro-builder chains
- Retail / DIY
 - Full-servicing 750 Lowe's stores ... ↑35% on previous cycle
 - Lowe's Vendor Of The Year Award – industry leading service
 - Products now sold into 2,500 large-format home centre stores
- 20% + of distribution revenues from new products
- US\$70 million 5-year debt facility established – 2018 expiry

⇒ **US\$40+ million EBITDA mid-cycle potential**

Tenon - share price reflects some of the promise



Tenon - share price reflects some of the promise

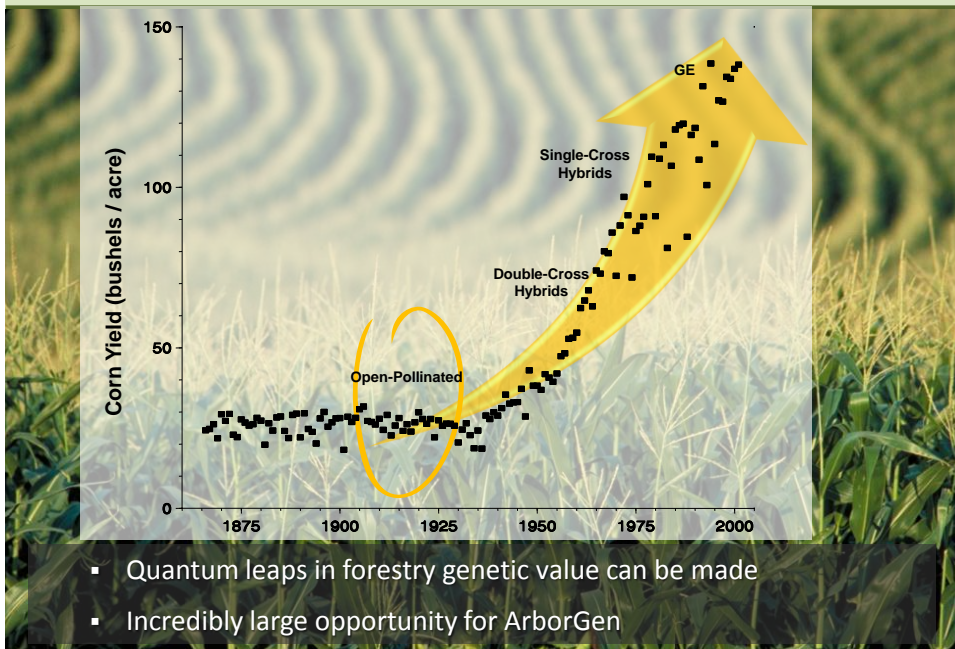


- Strong performance vs. competitor index
- Tenon share price is still below fair value – comparables/analyst = **NZ\$2.00+**
- Initiatives to address this –
 - Shareholder Plan and share buyback – to address liquidity in small traded volumes
 - Intention to make cash returns to shareholders, beginning 2014
 - Increase Tenon's equity exposure to the US – investigating dual NZ-US listing
- **Confident value gap can be closed – will flow directly into RBC price**

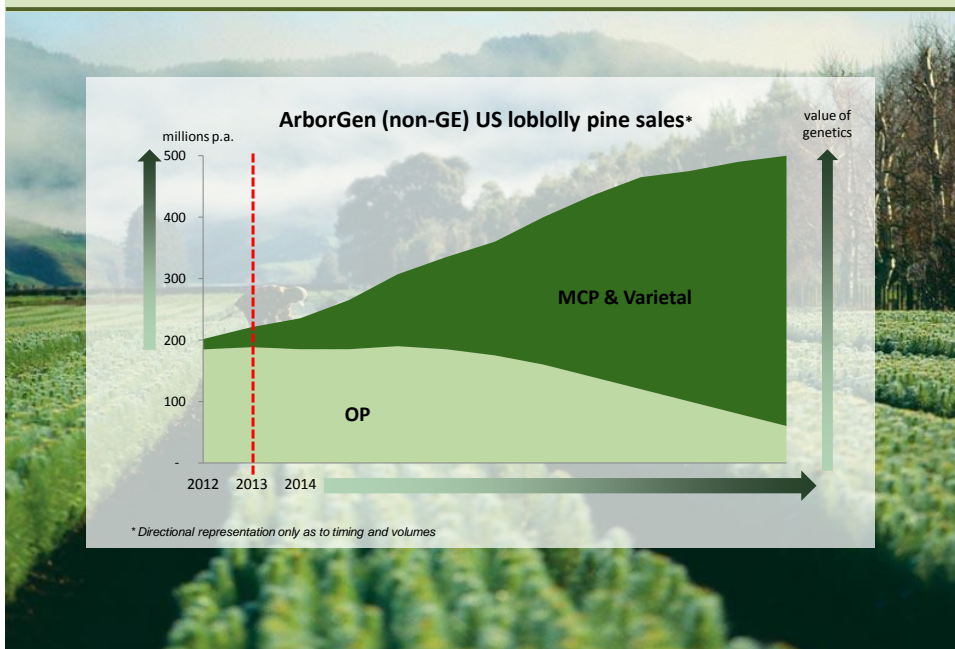
ArborGen – 2013 review



ArborGen - agriculture parallel (corn yields)



ArborGen - higher value loblolly pine in the US

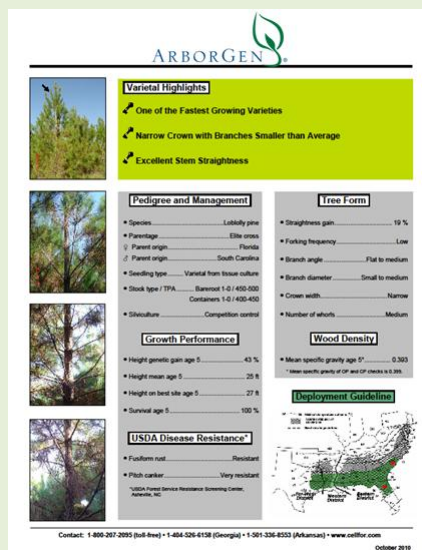


ArborGen - met its goals in 2013

- 273 million seedlings sales in 2013
- ↑ 10% on 2012
- Revenue ↑ 14%, to US\$30m
- Commercial sales operations reported PBT of US\$8m
- Advanced US loblolly pine volumes ↑ 80% +
 - 29 million MCP and varietal pine seedlings sold
 - Representing ≈ 14% of the total
 - Compares favourably with 2012 figures of 16 million and 8%
- On track to meet pine objectives for US market
- 2014 target of increasing US advanced pine seedlings by ≈ 50%

ArborGen – resourcing to meet the opportunity

- Sales process built / revamped
 - Product development data collation
 - Value analysis and marketing material
 - 3 new key sales & marketing executives
 - > 50 years of forestry experience
- New CFO, Richard Eisenstadt
 - 30 years in life sciences & technologies
 - Prior US IPO experience
- NZ and US bank lines of US\$30m
 - now extended out to H2 2015



ARBORGEN

Varietal Highlights

- One of the Fastest Growing Varieties
- Narrow Crown with Branches Smaller than Average
- Excellent Stem Straightness

Pedigree and Management

- Species: Loblolly pine
- Parentage: Elite cross
- Parent origin: Florida
- Seedling type: Varietal from tissue culture
- Stock type / TPA: Bareroot 1-0 / 430-030
- Containers: 1-0 / 430-030
- Silviculture: Competition control

Growth Performance

- Height genetic gain age 5: 43 %
- Height mean age 5: 25 ft
- Height on best site age 5: 27 ft
- Survival age 5: 100 %

USA Disease Resistance*

- Fusiform rust: Resistant
- Pitch canker: Very resistant

Tree Form

- Straightness gain: 19 %
- Forking frequency: Low
- Branch angle: Flat to medium
- Branch diameter: Small to medium
- Crown width: Narrow
- Number of whorls: Medium

Wood Density

- Mean specific gravity age 5: 0.303
- Mean specific gravity of CP and CP checks to 5.305

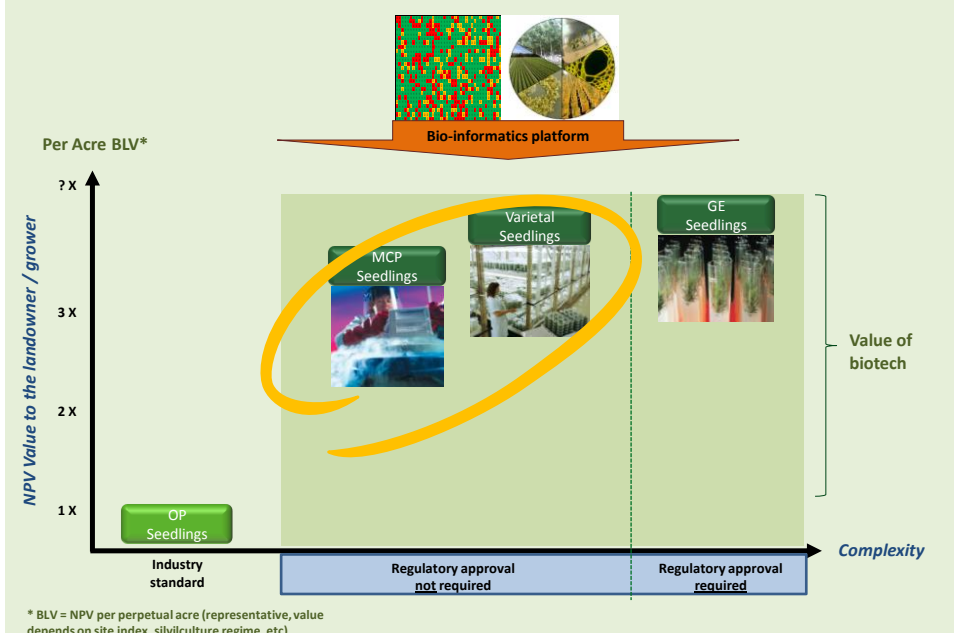
Deployment Guideline

Map showing deployment areas in the Southeastern US (Georgia, Florida, Alabama, Mississippi, Louisiana).

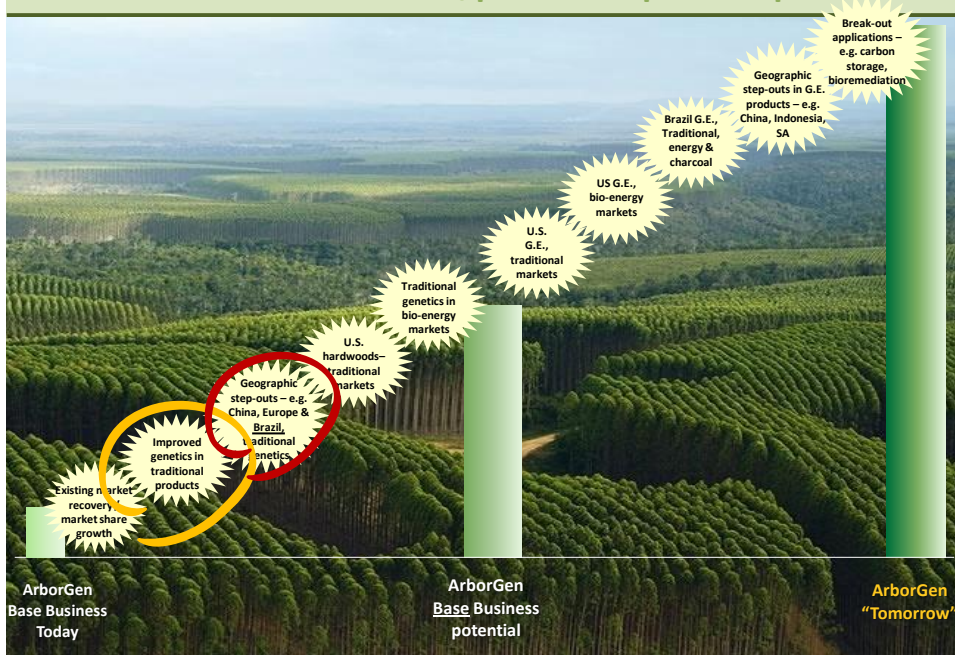
Contact: 1-800-267-2095 (toll-free) • 1-854-526-6158 (Georgia) • 1-501-336-8553 (Arkansas) • www.cellfor.com

October 2013

ArborGen – science review completed, further value gains realised



ArborGen - focused market/product expansion platform



ArborGen – Brazil expansion

- Vibrant forestry market
 - 800m eucalyptus pa
 - 100m loblolly pine pa
- Active product development relationships
- 2014 first year of seedling production – well ahead of plan
- Over next 24 months, 5-10 million eucalyptus varietals sales
- Vigorous expansion after position is proven
- Plans are well advanced to take US-pine position into Brazil
- Further announcements in 2014



ArborGen's fiscal 2014 will be a critical year

A year where ...

- Targeting to turn **EBITDA positive** including the expensing of all R&D
- Goal of **increasing advanced product sales in the US** by up to 50%
- **Commencing seedling production and sales in Brazil**
- Evaluating **entry into Europe**
- ... and further **expansion in Australasia**

It will be a very busy year!

Rubicon – share price understates value

- RBC share price is a poor reflection of the value of Tenon and ArborGen
- Edison analyst report (September)
 - Tenon ...
 - NZ\$2.30 per share on a trading value basis (vs NZ\$1.45 today)
 - Much higher again on a change of control / sale basis
 - ArborGen ...
 - US\$660 million (vs US\$285 million in our share price today)
 - US\$350 million for core business
 - US\$300 million for expansion opportunities

Rubicon – share price understates value

- Illiquidity of RBC shares is a big part of the problem
 - Top 5 shareholders > 80% of the RBC share register
 - They do not trade their shares
 - ... as they see more value than the current share price
 - ⇒ “free float” is very small
- Market is also waiting for “events” to support the underlying value
 - Very frustrating
 - Should be no need to prove value by (e.g.) selling Tenon
 - However, where “events” align with strategy we will do so
 - e.g. ArborGen IPO

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Stephen Kasnet

Chairman

ArborGen

Objective is to list on international stock exchange – “IPO”

Benefits will include -

- Capital raised will make ArborGen financially “stand-alone”
 - No further partner funding required
 - Funding available to execute growth opportunities
- Increased public disclosure of business value
- New shareholders enter register, provide buying momentum
- Expanded equity analyst coverage

⇒ Greater value recognition than in the current RBC share price

ArborGen

- Gains in IPO value can be made from -
 - Selling a higher % of MCP and varietal seedlings (US) – **proving the Core**
 - Beginning commercial production and sales in Brazil – **geographic growth**
 - Realising bio-energy sales – **new end-use markets**
 - Expanding in current markets – **strengthening existing positions**
 - Turning EBITDA positive – **showing earnings momentum**
- Each is an important milestone to higher IPO value realisation
- Each will be executed upon in 2014
- Determined to choose optimal IPO timing for shareholders
- ... and also determined not to delay the decision
- **2014 will be a busy and productive year!**

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 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 seedling products, the success of ArborGen's research and development activities, weather conditions and biological matters.

As a result of the foregoing, actual results and conditions may differ materially from those expressed or implied by such statements.

Non-GAAP Measures

1 EBITDA stands for Earnings before Interest, Tax, and Depreciation and Amortisations. EBITDA is a non-GAAP measure, not recognised within IFRS. As it is not uniformly defined or utilized this measure may not be comparable with similarly titled measures used by other companies. Non-GAAP financial measures should not be viewed in isolation nor considered as a substitute for measures reported in accordance with IFRS.

Tenon and Rubicon use EBITDA when discussing Tenon's financial performance because we / they believe the measure provides useful comparative earnings information and because it is used internally to evaluate performance. EBITDA is also a widely used earnings measure used in the investment community, particularly by equity analysts when focusing on comparable company performance, as the measure removes distortions caused by differences in asset age and depreciation policies. For fiscal 2013, Tenon's EBITDA reconciliation to its IFRS reported earnings measure of Net Profit / (Loss) after Taxation was as follows - Net Profit / (Loss) after taxation of US\$(3) million – income taxation benefit of US\$ nil + Financing costs of US\$4 million + depreciation and amortisations of US\$4 million = EBITDA US\$5 million.