

Stephen Kasnet – Chairman's address

I would like to make some further brief comments on a couple of issues relevant to Rubicon and its future value.

Rubicon has always been very fortunate in that its shareholders have understood the potential offered by the Company's investments in Tenon and ArborGen, and have agreed with the path we have been undertaking to achieve that potential. Shareholders have supported Board and management accordingly, and that support has been very much appreciated.

Our share price has performed well against relevant indices. This chart shows our performance over the last financial year through to today. Although it is well below the aggressive target we have set ourselves, RBC easily exceeded the performance of the NASDAQ and DOW and NZX 50 indices – each of which were negative across this period. And the same relative outperformance holds true if you extend this chart right back to Rubicon's listing in 2001, with RBC almost doubling the return of the NZX index.

You will know that when the incentive structures for Board and management were put in place, a 20% per annum Rubicon share price increase out to March 2011 (which is of course less than 18 months from today) was required to be achieved before target incentive thresholds were met, and any payments made. Whilst it is clear that the global credit crisis has made this percentage target more onerous (it's now at around 40% per annum), I want to assure you today that we will be doing everything in our power to bring full value to Tenon and ArborGen as soon as is practically possible.

You will be aware that during the year Knott and associates moved from a 19.48% ownership interest in Rubicon to 28.31%, by way of a public offer at 70 cents per share. Although we acknowledged that the tight global credit market conditions at the time may dictate some short-term trading or liquidity reasons for shareholders to accept the offer, your Board was quite clear that it could not recommend the offer ... as the offer price was well below the \$1.15 to \$2.26 value range determined by Grant Samuel.

Having said that, Knott is a very supportive shareholder, and we are comfortable with its increased shareholding position in the Company given the alignment with Rubicon's goals.

Thank you.