

Rubicon Annual Shareholders' Meeting – 3 December 2007

Stephen Kasnet – Chairman's address

I would like to make a few further brief comments – on the Long Term Equity Plan introduced for management during the year, on our shareholder base, and on Rubicon's future value.

In March of this year the Company offered a new Equity Plan to employees. The purpose of the Plan was to align management with shareholders and to incentivise the quick and efficient achievement of Rubicon's business goals. Luke, Mark Taylor and Bruce Burton, Rubicon's three senior executives, each agreed to participate in the Plan. Under the terms of the Plan the executives will not receive any base salary in the two-year period to 31 March 2009 and in return have been issued Rubicon shares at 93 cents equivalent to the two years net of tax salary forgone. In addition the executives were required to purchase additional Rubicon shares on-market to the value of \$450,000. I understand the Plan is unique in New Zealand, and the Board is very pleased with the willingness of the senior executives to make such a significant investment in Rubicon equity. As of today Directors and Management hold, in aggregate, 6.6 million shares, or approximately 2.7% of the Company's outstanding shares on issue. We all now share in the risks and rewards of ownership in just the same way as all Rubicon shareholders do. Shareholders should consider this to be a sign of commitment and belief that Board and management have in the future of Rubicon.

Moving on now to our shareholder base. I thought it useful to put up this chart, by way of update for you, which shows the profile of our shareholder register. You can see that we have a good spread of high-quality international institutional funds represented on our register – it is an excellent register, and shows the extent of interest in your Company. During the last year we have welcomed a number of new savvy shareholders onto the register – for example Knott Partners our fourth largest shareholder only started acquiring Rubicon shares in December 2006 and now holds 8.4%. As you can see, our retail investors who number about 9,000 or so, remain very important to us, representing around 20% of our total register.

The final point I would like to make today relates to the future of Rubicon. You should know that the Board and Management are very confident that there is considerable value-upside from our current share price. We do believe we have in place the right strategies and initiatives to deliver this value. And we also believe we have two unique assets that we can bring value to over the next 18 -24 months. In Tenon we have a well-positioned specialty based business, capable of doubling its current operating earnings in more favourable market environment. While the strong NZ dollar and poor US housing market conditions have placed Tenon into a strong "head-wind," this will not always be the case. So our objective today is to maximise Tenon's earnings in difficult market conditions, and to ensure the company is well-placed to take advantage of the upswing when it does occur. With ArborGen, we believe we have found a potential jewel. Luke has outlined ArborGen's potential by way of two or three product examples. As long as ArborGen continues down its current path, meeting its milestones to commercialization, the value-potential of this investment is enormous.

Needless to say, if we are successful with Tenon and ArborGen we will more than meet our 17% per annum Shareholder return target over Rubicon's life.