

# Why bamboo?

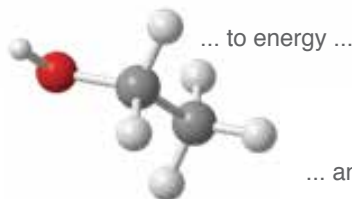
The global market for bamboo products is \$15 billion, and growing fast. Bamboo is an incredibly versatile renewable resource, used in the manufacture of hundreds of products—almost all of them imported by the U.S. and Europe from China.



## The Market

“Over a 20-year period, China’s bamboo sector was transformed from a mostly traditional, subsistence-oriented cottage industry into a booming industry valued at US \$14 billion in 2010” (Benton et al. 2011). Between \$8.5B and \$11B of bamboo products are exported to the U.S. and Europe annually.

Currently more than 200 bamboo products are sold in the U.S., but the potential is far greater. Bamboo fiber can be used in the production of flooring, furniture, energy products, biochar and more. It is a viable alternative to both wood fiber and petroleum.



... and beer.



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## Why Resource Fiber?

Resource Fiber is a pure-play company establishing the bamboo fiber industry in the U.S. beginning in the Black Belt region of Alabama. The Company’s executives and leadership team have many years of experience and knowledge in the bamboo field — developing, marketing and selling bamboo products. Its growth strategy reflects the growing North American demand for sustainable products that are manufactured in the U.S.

Notably, David Knight, Resource Fiber’s CEO and Ann Knight, Executive Vice President, founded the highly successful Teragren Bamboo Flooring, Panels & Worktops company in 1998. Teragren is now in its second decade as an industry leader in bamboo flooring with over 2,500 retailers nationwide and multiple international customers.

## Why Alabama?

Alabama offers an ideal climate and growing conditions for bamboo, and under Resource Fiber’s leadership, the U.S. bamboo fiber manufacturing industry will become a “Made in the USA” sustainable business, offering a wide variety of well-paying, permanent jobs in the Alabama Black Belt and surrounding region – an area with one of the highest unemployment rates in the country.

Finally, Resource Fiber is built on the tenets of the Triple Bottom Line which takes into account “profit, people and planet.”

# Full Vertical Business Model – From Nursery to Manufacturing

Resource Fiber's vertically integrated business model offers long-term off-take agreements for farmers. Products selected for manufacture below are based on certain criteria: Speed-to-Market and Revenue, Risk Mitigation, and Return on Investment.

**A bamboo nursery** capable of producing millions of bamboo plantlets over 20 years will be established in the Fall of 2014 - enough to plant more than 100,000 acres and designed to scale well beyond its initial capability if warranted.

**Industrial & Engineered Durable Products** such as bamboo railroad ties and industrial decking for trailers and containers as well as bamboo flooring and furniture.

Resource Fiber will manufacture sustainable, innovative products, and supply industrial users with its bamboo fiber for their consumer goods and export. The Company is designing and developing advanced manufacturing lines to produce a variety of engineered bamboo products.

In addition to manufacturing, the Company's expandable 50,000 F2 **Manufacturing + Innovation Center** will develop new products and commercialize products being co-developed with industrial partners and universities in Alabama.

**Biochar** for stand-alone organic soil enhancement and as a component of fertilizer. Biochar is a carbon-sequestering soil amendment that can deliver transformative benefits to industries as diverse as agriculture and soil remediation. The Company also plans to develop charged biochar for air and water filtration.



# Alabama Bamboo.

## A growth industry in every sense of the word.

Massively productive, bamboo is easy to grow, with limited inputs and minimal management.

The Black Belt region of Alabama provides ideal weather and growing conditions for a variety of bamboo species.



**Bamboo is a grass.** Moso bamboo can grow up to 2 feet per day and reach 80 feet tall in just 40 days.

**Annual harvest begins after 3 years for Rubro and 6 years for Moso,** versus 15 to 20 years for pine.

**Bamboo requires little water and fertilizer,** and no pesticides.

**Bamboo stores more carbon than a comparable cluster of trees.**



### Strategy

Resource Fiber intends to shift the bamboo industry supply chain from a China-centric model to a "Made in USA" sustainable business model, making possible a wide range of industries in Alabama, and well-paying, permanent jobs.



Bamboo is an incredibly strong, versatile building material, used in the manufacture of everything from stairs to skateboards to tabletops. New uses are being developed all the time.

### Unmet needs. Untapped opportunities.

Multiple industry sectors will design and develop new and innovative products utilizing bamboo fiber. A few examples of industries served include: building (flooring, furniture); purification (water, air); and agriculture (biochar for soil amendment, biofuels).



# Competitive Advantages

**Strong executive team and advisory board with deep experience in the bamboo industry.**

**First mover advantage coupled with scope and scale.**

**Full vertical business model offering long-term off-take agreements and investment protection.**

**Plant propagation/product manufacturing know-how and experience.**

**Intellectual property across the value chain.**

**Strong Alabama government and community network of support built to grow into strong, long-lasting public and private partnerships.**

## How Resource Fiber Succeeds

**Profits from sales of manufactured bamboo products.**

**Profits from sales of bamboo plants from nursery.**

**Profits from sales of bamboo fiber from farms.**

**Intellectual Property licensing fees.**

**Agriculture consulting & advisory fees.**

**Harvest operations.**

## Diverse revenue streams

Everyone knows that bamboo grows fast. The U.S. bamboo fiber industry is poised to do the same.



# Experienced Leadership

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**Ann Knight, Chief Communications Officer, EVP and David Knight, CEO/President** were founders of Teragren Bamboo Flooring, Panels & Worktops in 1998, now in its second decade as one of the top consumer flooring brands and industry leaders in bamboo flooring, furniture panels and worktops.



**Mike Dalen, Chief Financial Officer** has worked with a number of high technology companies over the past 30 years, most recently as CFO at Solid Earth, a real estate technology company, and Executive Director of Contracts & Procurement at Intergraph Corporation in Huntsville, Alabama. He has been raising a dozen types of bamboo for the past two decades at his small farm.



**Marsha Folsom, Chief Development Officer, Governmental Affairs & Economic Development** brings over 35 years of private and public sector expertise to the company. She is a former First Lady and life-long resident of Alabama with a wealth of government and community relationships.



**Craig Thomason, Chief Development Officer, Commercial/Industrial** brings over 24 years of experience of strategy development and execution across multiple industries. He has experience working with Fortune 100, middle-market, and start-up companies. Craig gained deep experience with cellulose-based consumer products and agroforestry at Georgia Pacific and consulting engagements at Gulf States Paper (now Westervelt).



**Jonathan M. Scherch, Ph.D., MSW / Executive Vice President, Academic & Community Affairs** brings a wealth of expertise in the bamboo industry to the company. In 2006-07, Dr. Scherch completed a sabbatical with the Institute of Bamboo at Zhejiang Agricultural & Forestry University in China, with teaching and research focused on bamboo resource systems for sustainable development. In addition, he founded Pacific Bamboo Resources in 2004 focusing on innovations for emerging bamboo industries and economies, including project pursuits in the US, China, Bangladesh and the Philippines.

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Bamboo fiber presents a sustainable alternative to wood and petroleum-based resources. Resource Fiber intends to grow the nascent bamboo industry by engaging with local landowners to farm bamboo, manufacture innovative products, and supply industrial users with bamboo fiber.

