



Tree Island Wire Income Fund

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Tree Island Completes Renewal of its Banking Facility and Re-Negotiates its Forbearance Debt

VANCOUVER, BRITISH COLUMBIA--(Marketwire - June 11, 2012) - Tree Island Wire Income Fund (TSX:TIL.UN)(TSX:TIL.DB) -

- **New Four Year Banking Facility Maturing June 2016**
- **Banking Facility Increased to \$40.0 Million**
- **Forbearance Debt Amended**

Tree Island Wire Income Fund ("Tree Island" or the "Fund") announced today that it has successfully renewed its senior banking facility with Wells Fargo Capital Finance Corporation Canada as Agent for the Canadian and U.S. Lenders ("Wells Fargo"). The four year senior secured banking facility (the "Facility") has been increased from \$35.0 million to \$40.0 million and now matures on June 11, 2016.

Under the terms of the Facility, up to \$40.0 million may be borrowed for Tree Island's financing requirements in Canadian and/or US dollars. Additionally, a \$10.0 million Letter of Credit sub-facility will enable Tree Island to open documentary letters of credit for raw material purchases. Interest is charged at variable rates based on the Canadian and/or US Prime rate and the Canadian B.A. rate and/or the Eurodollar rate. The amount advanced under the Facility at any time is limited to a defined percentage of inventories, accounts receivable and real estate, less certain reserves. The Facility is secured by a first charge over Tree Island's assets supported by the appropriate guarantees, pledges and assignments, and requires that certain covenants be met by Tree Island.

Tree Island also announced today that it has amended the terms of its forbearance debt with both principal vendors. With one of the vendors, Tree Island has entered into a Second Amendment to Forbearance and Payment Agreement ("Agreement"). Under the terms of this Agreement approximately US\$15.8 million in principal debt will be repaid monthly over a ten year amortization period. Interest is non-compounding, will be accrued on a declining balance starting in June 2017 and is payable over a four year period beginning June 2024. Additionally, approximately US\$16.7 million of principal debt for the other vendor will be extinguished with a final payment of US\$5.0 million. The accounting and tax impacts of these two transactions are being determined and once finalized, in the second quarter of 2012, will be material to the statement of financial position and statement of operations.

Dale R. MacLean, President and CEO of Tree Island Industries, commented: "Wells Fargo has once again shown its confidence in Tree Island by not only increasing our Facility, but by extending it for an additional four years. I also thank our two key vendors for their ongoing support through these challenging times."

"I must thank our principal vendors for their continued support of Tree Island," commented Amar S. Doman, Chairman of the Fund. "They have truly shown their responsiveness to Tree Island's needs. I am also delighted to continue our strong relationship with Wells Fargo. As a result of these transactions, our increased working capital and liquidity greatly enhances our financial position. Tree Island will be able to aggressively source well priced product through these vending relationships. This is a very important piece of the ongoing restructuring of Tree Island and there is still further work to be done on our cost side such that we can be competitive in our end use markets," Mr. Doman added.

About Tree Island Wire Income Fund

The Fund was launched on November 12, 2002 with the completion on an initial public offering. The Fund has a 100% ownership interest in Tree Island Industries Ltd and its performance depends on the performance of Tree Island Industries Ltd. Headquartered in Richmond, British Columbia, Tree Island Industries Ltd. produces wire products for a diverse range of construction, industrial, residential, manufacturing, and industrial applications. Its products include bright wire, stainless steel wire and galvanized wire; a broad array of fasteners, including packaged, collated and bulk nails; stucco

reinforcing products, engineered structural mesh, fencing and other fabricated wire products. The company markets these products under the Tree Island, Halsteel, K-Lath, Industrial Alloys, Tough Strand, and TI Select brand names.

Forward-Looking Statements

This press release includes forward-looking information with respect to the Fund and the company, including their business, operations and strategies, as well as financial performance and conditions. The use of forward-looking words such as "may", "will", "expect" or similar variations generally identify such statements. Any statements that are contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Although management believes that expectations reflected in forward-looking statements are reasonable, such statements involve risks and uncertainties including risks and uncertainties discussed under the heading "Risk Factors" in the Fund's most recent annual information form and management discussion and analysis.

The forward looking statements contained herein reflect management's current beliefs and are based upon certain assumptions that management believes to be reasonable based on the information currently available to management. By their very nature, forward looking statements involve inherent risks and uncertainties, both general and specific, and a number of factors could cause actual events or results to differ materially from the results discussed in the forward looking statements. In evaluating these statements, prospective investors should specifically consider various factors including the risks outlined in the Fund's most recent annual information form and management discussion and analysis which may cause actual results to differ materially from any forward looking statement. Such risks and uncertainties include, but are not limited to: general economic, market and business conditions, the cyclical nature of our business and demand for our products, financial condition of our customers, competition, volume and price pressure from import competition, deterioration in the Company's liquidity, disruption in the supply of raw materials, volatility in the costs of raw materials, significant exposure to the Western United States due to lack of geographic diversity, dependence on the construction industry, transportation costs, foreign exchange fluctuations, leverage and restrictive covenants, labour relations, trade actions, dependence on key personnel and skilled workers, reliance on key customers, intellectual property risks, energy costs, un-insured loss, credit risk, operating risk, management of growth, changes in tax, environmental and other legislation, and other risks and uncertainties set forth in our publicly filed materials.

This press release is current as of the date of this press release, unless otherwise noted. Events occurring after that date could render the information contained herein inaccurate or misleading in a material respect. Readers are cautioned not to place undue reliance on this forward-looking information and management of the Fund undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise except as required by applicable securities laws.

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