

Tree Island Wire Income Fund

TSX: TIL.UN



Mar 25, 2010 17:30 ET

Tree Island Successfully Completes Three Year \$35 Million Refinancing of its Banking Facility

VANCOUVER, BRITISH COLUMBIA--(Marketwire - March 25, 2010) -

Tree Island Wire Income Fund (TSX:TIL.UN) ("Tree Island" or the "Fund") announced today that it has successfully completed the refinancing of its senior credit facility. The three year, \$35 million senior secured revolving credit facility, ("Facility") is led by Wachovia Capital Finance Corporation (Canada) ("Wachovia") and replaces the Fund's existing credit facilities with GE Canada Finance Holding Company and General Electric Capital Corporation.

Under the terms of the Facility up to \$35 million may be borrowed for operating requirements in Canadian and US currency. Interest is charged at variable rates based on the Canadian and/or US prime rate and the Canadian B.A. and/or Libor rate. The amount advanced under the Facility at any time is limited to a defined percentage of inventories and accounts receivable, less certain reserves. The Facility is secured by a first charge over the Fund's assets supported by the appropriate guarantees, pledges and assignments, and requires that certain covenants be met by the Fund. The Facility matures on March 25, 2013.

Amar S. Doman, Chairman of the Fund, commented: "Tree Island continues to execute its re-capitalization plan. Our new Facility, coupled with the recently announced Private Placement and Rights Offering totaling \$19.75 million, augments our working capital position. And we are pleased to be working with Wachovia, a well known and highly respected lender in Canada."

Ted Leja, CEO of Tree Island added: "This agreement further strengthens our financing arrangements, and will enable us to respond effectively to our customer needs as market conditions gradually improve."

Fund Profile

The Fund was launched on November 12, 2002, with the completion of an Initial Public Offering. The Fund holds a 100% ownership interest in Tree Island Industries Ltd. (the "Company"). The Fund's performance depends entirely on the performance of the Company.

Tree Island Profile

Headquartered in Richmond, British Columbia, Tree Island Industries Ltd. produces wire products for a diverse range of construction, agricultural, 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. Tree Island also owns and operates a Hong Kong-based trading company that provides internationally sourced products to the Company and its customers.

Forward-Looking Statements

Certain statements contained in this press release constitute "forward looking statements". These statements relate to future events or future performance. The words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect", and similar expressions are often used to identify forward looking statements.

By their very nature, forward looking statements involve inherent risks and uncertainties, both general and specific. In evaluating these statements, readers should specifically consider risks which may cause actual results to differ materially from any forward looking statement. These risks include, but are not limited to, risks relating to Tree Island's working capital position and demand for its products. Full details on these risks and uncertainties are set out in the Fund's most recently filed annual information form and management discussion and analysis at www.sedar.com.

The forward looking statements contained herein are based upon certain assumptions considered reasonable at the time they were prepared. Such assumptions include, but are not limited to, assumptions regarding: (i) general economic conditions, and (ii) the Fund's future business prospects and opportunities. Should one or more of the risks or uncertainties identified materialize, or should the assumptions underlying the forward looking statements prove to be incorrect, then actual results may vary materially from those described herein. Readers are cautioned not to place undue reliance on forward looking statements. Except as required by applicable securities laws, the Fund does not assume any obligation to update the forward looking statements contained herein.

For more information, please contact

Tree Island Wire Income Fund
Ted Leja
President and Chief Executive Officer
(604) 524-3744
tleja@treeisland.com
www.treeisland.com

[Back](#)

Privacy Statement | Terms of Service | Sitemap | © 2010 Marketwire, Incorporated. All rights reserved.
Your newswire of choice for expert news release distribution.
1-800-774-9473 (US) | 1-888-299-0338 (Canada) | +44-20-7562-6550 (UK)