



Tree Island Wire Income Fund

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Tree Island Announces First Quarter 2011 Results

Significant Improvement on a Year-Over-Year Comparative Basis Despite Continued Weakness in End Markets

VANCOUVER, BRITISH COLUMBIA--(Marketwire - June 9, 2011) - Tree Island Wire Income Fund (TSX:TIL.UN)(TSX:TIL.DB) -

Q1 2011 year-over-year highlights

- Revenues increased by 12.8 percent to \$38.9 million
- Gross profit increased to \$4.4 million or 11.2 percent of sales
- EBITDA(before foreign exchange)⁽³⁾ at \$2.0 million
- Volume increased by 7.3% to 29,948 tons

Tree Island Wire Income Fund ("Tree Island" or the "Fund"⁽¹⁾) announced today its first quarter fiscal 2011 financial results for the period ended March 31, 2011. The Fund notes that its financial results are reported under IFRS for the first time this quarter. The conversion did not have a significant impact on the Fund's EBITDA, however it did have a significant impact on net income as well as the statement of financial position. First quarter 2010 comparatives, have been restated and reclassified within the financial statements to reflect the conversion. These reclassifications and adjustments are described in the MD&A as well as in the notes to the condensed interim financial statements for March 31, 2011.

For the three months ended March 31, 2011⁽²⁾, the Fund reported increased revenue of \$38.9 million, compared to \$34.5 million during the same period in 2010. Gross profit increased by \$2.0 million to \$4.4 million, and gross profit per ton increased to \$146 per ton, from \$86 per ton a year ago. The continued improvement in gross margin and gross profit per ton reflects Tree Island's ongoing focus on more profitable products, higher selling prices, and a continued focus on cost control.

Our ongoing focus on cost management continued to favorably impact Q1 results with SG&A expenses totaling \$3.1 million versus \$3.6 million during the corresponding period in 2010. This resulted in EBITDA of \$2.0 million, compared to EBITDA of \$0.3 million in Q1 2010. Adjusted Net Income (Loss) increased \$2.6 million to a positive \$1.4 million versus a loss of \$1.2 million in Q1 2010.

In summary, despite the uneven economic conditions in our end markets, particularly in the United States, the Fund posted improved revenue, gross margin, EBITDA and Adjusted Net Income (Loss) results during the first quarter of 2011.

"I am pleased with our ability to demonstrate top line growth and overall improved profitable results

during a period when we continue to see weakness in our primary end markets and across our industry," said Ted Leja, President and CEO of Tree Island Industries. "We continue to look at select growth opportunities while ensuring that our overall cost structure will allow the Fund to generate sustainable cash."

Amar Doman, Chairman of the Fund noted, "The Fund's operational and financial performance during the first quarter is promising, especially given the continued weakness in the U.S. housing starts. I am pleased with our ability to deliver improved results during these challenging times."

Summary of Results (\$000's except for tonnage and per unit amounts)	Three Months Ended March 31	
	2011	2010
Sales Volumes – Tons⁽¹⁾	29,948	27,886
Revenue	\$ 38,944	\$ 34,532
Cost of Goods Sold	(33,887)	(30,708)
Depreciation	(677)	(1,420)
Gross Profit	\$ 4,380	\$ 2,404
Selling, General and Administrative Expenses	(3,085)	(3,563)
Operating Income (Loss)	\$ 1,295	\$ (1,159)
Foreign Exchange Gain (Loss)	418	(557)
Financing Expenses	(2,066)	(3,834)
Changes in fair value on convertible instruments	(892)	636
Loss on renegotiated debt	(3,234)	-
Loss before income taxes	(4,479)	(4,914)
Income Tax Recovery	440	2,377
Net Loss	\$ (4,039)	\$ (2,537)
EBITDA⁽²⁾		
Operating Income (Loss)	1,295	(1,159)
Add back Depreciation	677	1,420
EBITDA	1,972	261
Foreign Exchange Gain (loss)	418	(557)
Adjusted EBITDA	2,390	(296)
Net Loss	(4,039)	(2,537)
Adjustment for significant non-cash items		
Non-cash financing expenses	1,326	1,937
Non-cash loss on renegotiated debt	3,234	-
Changes in fair value of convertible instruments	892	(636)
Adjusted Net Income (Loss)⁽²⁾	1,413	(1,236)
Per Unit		
Net loss per unit - basic and fully diluted	\$ (0.18)	\$ (0.12)
Standardized Distributable Cash per Unit - Basic and Fully Diluted ⁽²⁾	\$ (0.17)	\$ (0.43)
Adjusted Distributable Cash per Unit - Basic and Fully Diluted ⁽²⁾	\$ 0.03	\$ 0.00
Per Ton		
Gross Profit per Ton	\$ 146	\$ 86
EBITDA per Ton ⁽²⁾	\$ 66	\$ 9
Adjusted EBITDA per Ton ⁽²⁾	\$ 80	\$ (11)
Financial Position	As at March 31, 2011	As at December 31, 2010
Total Assets	\$ 94,694	\$ 87,450
Total non-current financial liabilities	\$ 41,536	\$ 36,321

(1) Sales volumes exclude tons which were processed as part of tolling arrangements.

(2) See definition of EBITDA, Adjusted Net Income (Loss), Standardized Distributable Cash and Adjusted Distributable Cash in the Section 2. Non-IFRS Measures.

About Tree Island Wire Income Fund

The Fund was launched on November 12, 2002 with the completion of 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, 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 company that provides internationally sourced products to the Company and its customers.

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 the risks and uncertainties discussed under the heading "Risk Factors" in the Fund's annual information form and management discussion and analysis for updated information.

Forward-looking statements, by their nature, necessarily involve risks and uncertainties that could cause actual results to differ materially from those contemplated by the statements. Such risks and uncertainties include, but are not limited to: general economic conditions and markets and, in particular, the impact of the current economic uncertainties, impact of recent trade cases, risks associated with operations such as competition, dependence on the construction industry, market conditions for our products, supplies of and costs for our raw materials, dependence on key personnel, labour relations, regulatory matters, environmental risks, the successful execution of acquisition and integration strategies and other strategic initiatives, foreign exchange fluctuations, the effect of leverage and restrictive covenants in financing arrangements, the cost and availability of capital, the possibility of deterioration in our working capital position, the impact on liquidity if we were to go offside of covenants in our debt facilities, the impact that changes in supplier payment terms or slow payment of accounts receivable could have on our liquidity, product liability, the ability to obtain insurance, energy cost increases, changes in tax legislation, other legislation and governmental regulation, changes in accounting policies and practices including the transition to IFRS, operations in a foreign country, and other risks and uncertainties set forth in our publicly filed materials.

This press release has been reviewed by the Fund's Board of Trustees and its Audit Committee, and contains information that 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.

- (1) References to the Fund or Tree Island include references to Tree Island Industries Ltd. as the context may require.
- (2) Please refer to our Q1 2011 MD&A for further information.
- (3) Reference is made above to EBITDA. We define EBITDA as operating profit or loss plus depreciation. Please refer to our Q1 2011 MD&A for further information.
- (4) Reference is made above to Adjusted Net Income (Loss). Adjusted Net Income (Loss) is net income (loss) in accordance with IFRS adjusted for certain non-cash items including non-cash financing expenses, changes in fair value of convertible instruments and loss on renegotiated debt. Please refer to our Q1 2011 MD&A for further information.

References in this MD&A to "EBITDA" are to operating profit plus depreciation and references to "Adjusted Net Income (Loss)" are to net income (loss) per IFRS adjusted for certain non-cash items including non-cash financing expenses, changes in fair value of convertible instruments and loss on renegotiated debt. EBITDA is a measure used by many investors to compare issuers on the basis of ability to generate cash flows from operations. Adjusted Net Income (Loss) is a measure for investors to understand the impact of significant non-cash items that affect our results from operations. Neither EBITDA nor Adjusted Net Income (Loss) are earnings measures recognized by IFRS and do not have a standardized meaning prescribed by IFRS. We believe that EBITDA and Adjusted Net Income (Loss) are an important supplemental measure in evaluating the Fund's performance. You are cautioned that EBITDA and Adjusted Net Income (Loss) should not be construed as an alternative to net income or loss, determined in accordance with IFRS, as indicators of performance or to cash flows from operating, investing and financing activities as measures of liquidity and cash flows. Our method of calculating EBITDA and Adjusted Net Income (Loss) may differ from methods used by other issuers and, accordingly, our EBITDA or Adjusted Net Income (Loss) may not be comparable to similar measures presented by other issuers.



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