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Tree Island Wire Income Fund

TSX : [TIL.UN](#)TSX : [TIL.DB](#)

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Tree Island Wire Income Fund to Seek Unitholder Approval to Convert to a Corporation

VANCOUVER, BRITISH COLUMBIA--(Marketwire - July 12, 2012) - On July 12, 2012, Tree Island Wire Income Fund (TSX:TIL.UN)(TSX:TIL.DB) ("Tree Island" or the "Fund") obtained Board of Trustee approval and announced its plans to convert the Fund from an income trust to a corporation. The proposed reorganization is subject to Unitholder and other approvals and will be undertaken pursuant to a plan of arrangement with an expected effective date prior to January 1, 2013.

The Trustees and management of the Fund believe that the proposed conversion of the Fund's capital structure is in the best interests of Unitholders and the business and believe the conversion can be expected to provide the following benefits:

- A simplified tax and legal structure, comparable to the majority of public companies operating in Canada, providing among other things the benefit of reduced internal and external administrative costs;
- A tax efficient conversion of the Fund into a corporation if completed before January 1, 2013;
- Resolves issues relating to the potential non-compliance with foreign ownership limitations; and
- Provides better access to global capital markets in order to maximize returns to shareholders.

Following the conversion, the Board of Directors of the resulting public corporation will be comprised of the current members of the Board of Trustees and senior management will remain in place.

Dividend Plan

The future dividend policy will be determined by the company's directors at a later time, depending upon future earnings and financial and tax requirements.

Conversion Process

Unitholders will be asked to approve the proposed conversion plan at the Fund's special meeting scheduled for September 13, 2012. Implementation of the conversion is expected to occur by way of plan of arrangement and is subject to approval by not less than 66 2/3% of the votes cast at the Unitholders' meeting as well as customary conditions, including the receipt of applicable regulatory, court and TSX approvals. Upon completion of the conversion, Unitholders will receive on a tax deferred roll over basis one share of the resulting public corporation for each unit held and debenture holders will receive on a tax deferred roll over basis one debenture of the resulting public corporation. An information circular in respect of the Unitholders' meeting, which will provide a detailed outline of the proposed conversion, is expected to be available by mid-August, 2012. In connection with a review of the proposed conversion, the Board of Trustees of the Fund have retained financial, legal and taxation advisors.

Amar S. Doman, Chairman of the Board of Trustees of Tree Island said, "The proposed structural changes will not deter Tree Island's objective of returning to profitability, but are necessary for taxation strategies. Since becoming a public company in November 2002, the income fund structure has become a less desirable form of business enterprise. Our new corporate structure should result in an improved and simplified structure for the company and our investors."

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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