



Media release

Focusing, further debt reduction and securing liquidity

Zug/Zurich, 26 November 2012 – The Precious Woods Group invites its shareholders to an extraordinary general meeting, to be held on 18 December 2012, in order to present the planned capital measures aimed at securing liquidity and to report on the current business year.

At the extraordinary general meeting, the Board of Directors of the Precious Woods Group will report on business performance in 2012 and the implementation of the measures communicated in the Half-Year Report. With a view to **securing liquidity over the medium term**, the Board will present a coordinated package of capital measures aimed at enabling existing shareholders and new investors to participate. Additionally, the Board will also explain the sale of the Group's 25% stake in Precious Woods Central America (PWCA) and the associated **strategic focus** and further **debt reduction**.

In its reporting on the first half of 2012, Precious Woods announced a **comprehensive package of measures** that focused on improving operating performance and securing liquidity. All the measures announced have been implemented fully or extensively:

- With a view to **securing liquidity** over the medium term, the Board of Directors of Precious Woods will propose an ordinary, conditional and approved capital increase at the extraordinary general meeting to be held on 18 December 2012. The ordinary capital increase is supposed to increase capital by 9% to CHF 3 747 806 and will offer all shareholders the opportunity to participate in the capital increase. Conditional capital is to be increased from CHF 1 450 000 to CHF 1 578 689 and approved capital from CHF 800 000 to CHF 1 547 260, with a view to creating flexibility for future convertible bonds. A total of CHF 5 million has already been promised by existing and new investors for securing liquidity over the medium term.
- The announced **focusing and further debt reduction** was achieved by selling recently the 25% stake in PWCA to the two co-shareholders. The conditions are the same as those agreed a year ago. The decision to sell was made in particular because the major shareholders are planning further investments with which Precious Woods could not have kept pace in terms of capital. This would have resulted in a significant dilution. With the sale of the 25% stake in PWCA, the holding has reduced its debts by approximately CHF 12 million.
- **Operating costs have been reduced further across all business units.** The turnaround in Brazil is gathering pace, with a small net profit being achieved so far in the second half of the year. The situation in Gabon has stabilized following the improvement in the logistics situation, a development that will however not yet impact on the figures until 2013. Production has already been increased significantly in recent weeks, and helps us to look forward to 2013 with confidence. In addition, Precious Woods Gabon has appointed a new CEO, Frédéric Ober, who has extensive managerial experience in the forestry and timber industry in Africa. In Europe, the situation remains difficult due to the sluggish construction economy and subdued markets. CER certification at Precious Woods Amazon has been delayed further until the first half of 2013, due to external circumstances.



PRECIOUS WOODS

- Taken as a whole, however, the operational progress made will not be sufficient to offset, over the entire year, the negative impact of the logistical problems in Gabon in the first half of 2012. The target of a positive **EBITDA** for 2012 will, therefore, not be met. Precious Woods is expecting the EBITDA to remain at a similar level as in the previous year.
- The **delisting of the registered shares** on the SIX Swiss Exchange has been approved for 12 August 2013, with the last day of trading scheduled for 9 August 2013. Subsequently, trading will be processed via the OTC platform of Zürcher Kantonalbank. The delisting announcement was published on the Precious Woods website on 10 October. The tradability of the shares and the quality of reporting for shareholders will continue to be assured on the OTC platform.

The **invitation to the extraordinary general meeting** has been published together with the complete agenda and the proposals from the Board of Directors on the Precious Woods website (www.preciouswoods.com) and in the Swiss Official Gazette of Commerce (SOGC).

Further information:

Precious Woods Holding AG, Jacqueline Martinoli, Head of Finance / Communications,
Tel. +41 44 245 80 15, Fax +41 44 245 81 12, media@preciouswoods.com

Precious Woods is an international company active in the sustainable management and use of tropical forests. The company's core activities include reforestation and sustainable management of tropical forests, timber processing and the trading of FSC-certified timber products. The generation of emission rights and electricity from wood waste represent further integral elements of the company's business. Shares of Precious Woods Holding Ltd have been listed on the SIX Swiss Exchange since March 2002. Additional information about Precious Woods can be found at www.preciouswoods.com

This document includes forward-looking statements that reflect the Company's intentions, beliefs or current expectations and projections about the Company's future results of operations, financial condition, liquidity, performance, prospects, strategies, opportunities and the industry in which it operates. Forward-looking statements involve all matters that are not historical fact. Such statements are made on the basis of assumptions and expectations which, although the Company believes them to be reasonable at this time, may prove to be erroneous.