



Media release

Zug / Zurich, 07. December 2012 - Precious Woods reports on positive developments in advance of its extraordinary General Meeting on 18 December 2012

- **Medium-term liquidity secured thanks to successful placement of convertible bonds and inflow of funds from sale of participation**
- **Specific key data on the planned conditional, approved and ordinary capital increases**
- **No nomination of additional member of the Board of Directors due to the sound solution reached**

Secured liquidity

The media release issued on 26 November 2012 explained how the Precious Woods Group aimed to secure medium-term liquidity. In the meantime, Precious Woods has succeeded in securing liquidity (subject to shareholders' approval of the increase in approved and conditional capital at the extraordinary general meeting on 18 December 2012). Precious Woods has successfully placed two convertible bonds worth CHF 2 million each with one existing and one new Swiss private investor. Furthermore, the sale of the remaining minority stake in Precious Woods Central America not only enabled the Group to reduce its financial debts by around CHF 12 million, but also resulted in an additional cash inflow of CHF 0.9 million.

Specific key data on the three planned capital increases

At CHF 3.00, the negotiated conversion price for the bridge loans of just under one year is approximately 60% above the current share market price. This represents a significant premium for all existing shareholders, and ensures a balanced shareholder structure.

In view of the successfully negotiated conditions, the company will require only a small proportion of the additional approved and conditional capital asked at the extraordinary general meeting to serve the conversion rights arising from the two newly placed convertible bonds: at around CHF 0.5 million, this amount is reasonably proportionate to the simultaneously planned ordinary capital increase of around CHF 0.3 million. Given the approval by shareholders of the three planned capital increases, the resulting additional but unclaimed approved and conditional capital would therefore serve as a reserve position.

The issue price for the shares from the ordinary capital increase, open to all existing shareholders, will be defined in January. It will, however, certainly not be above the market price at the time.



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No nomination of additional member of the Board of Directors

In view of this well balanced solution, there will be no election of a new member of the Board of Directors. Agenda item 5, "Election of new Member of the board of Directors possibly nominated by the Board" therefore no longer applies.

The complete agenda and the proposals from the Board of Directors has been published on the Precious Woods website (www.preciouswoods.com) and in the Swiss Official Gazette of Commerce (SOGC).

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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.