

York Timber Holdings Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1916/004890/06)
JSE Share code: YRK
ISIN: ZAE000133450
("York" or "the Company")

YORK ANNOUNCES THE SECURING OF A R600 MILLION TERM LOAN FACILITY FROM THE LAND BANK

York advises shareholders that during the latter part of December 2011 it entered into a R600 million term loan facility agreement with The Land and Agricultural Development Bank of South Africa ("the Land Bank") (the "Term Facility") which will replace, *inter alia*, the existing Rand Merchant Bank Senior Term Loan and Mezzanine Loan Facilities.

The Term Facility is for a period of ten years from the date of first draw down which is anticipated to be in February 2012. The terms and covenants of the Term Facility have been formulated to enhance and facilitate the growth of the business operations of York and its subsidiaries. The Term Facility will bear interest at the prevailing prime rate plus 1 percent over the ten year period, the inclusive rate currently being 10%. This compares favourably to York's existing weighted interest margin of 6.2% above a 3 month JIBAR rate, currently being 11.8%.

Commenting on the securing of the Term Facility, CEO Pieter van Zyl said "The refinancing was the final step in completing the restructuring and alignment of York to current market conditions. York is better positioned to explore various growth opportunities as a result of the conclusion of the Term Facility".

The Term Facility will be available to be drawn down during February 2012 once all the suspensive conditions (all of which are customary for a transaction of this nature) have been fulfilled or waived, as the case may be. One of the suspensive conditions to the Term Facility is the entering into of a subordination agreement between York and its wholly owned subsidiary York Timbers Proprietary Limited (the "Subordination Agreement"). The Subordination Agreement will be entered into following the adoption of special resolution number 3 ("the Special Resolution") to be proposed to shareholders at York's annual general meeting to be held on Monday, 6 February 2012. Details of the Special Resolution are set out in the notice of annual general meeting which was posted to York shareholders on 23 December 2011 and which is available electronically on the Company's website www.york.co.za.

The Special Resolution grants a general authority for the provision of financial assistance by the Company in terms of sections 44 and 45 of the Companies Act, 71 of 2008 ("General Authority"). Over and above enabling the Company to provide the Land Bank with security in respect of the Term Facility, the General Authority will greatly assist the Company in, *inter alia*, making inter-company loans to subsidiaries as well as granting letters of support and guarantees in appropriate circumstances. The existence of the General Authority will allow the Company to grant financial assistance without the need in each instance to refer to shareholders for approval which might impede negotiations and add time and expense. The General Authority would also authorise the provision of financial assistance to any of the Company's directors, or prescribed officers or to any other person who is a beneficiary of the York share incentive scheme to facilitate participation in the scheme. However, York will not provide any financial assistance to any of the Company's directors or prescribed officers in terms of the General Authority without again seeking specific shareholder approval for such assistance. To the extent required, the Special Resolution will be amended at the annual general meeting to be held on 6 February 2012 to give effect to this restriction.

Sabie, Mpumalanga

25 January 2012

Sponsor: One Capital