



ASX Release

16 January 2015

New Investor Settles \$24m Beyond Carbon Transaction

The Board of TFS Corporation Ltd (TFS) (ASX: TFC) is pleased to advise that a \$24 million investment from a new institutional investor in the company's Beyond Carbon sandalwood plantation product has settled.

The settlement completes the transaction referred to in the Company's year-end results for FY14. The sale was completed by an Australian financial institution on behalf of a Hong Kong institutional investor.

TFS has planted and will manage 400 hectares of Indian Sandalwood tree plantations in the Northern Territory for the new investor.

"This settlement completes all Beyond Carbon transactions from FY14 and increases the total number of institutional Beyond Carbon investors to five," said TFS Chief Executive Officer Frank Wilson.

"The addition of the new investor, in conjunction with both the recent decision by our long term and respected US investor to exercise two more of their options and the recent \$20m acquisition by the Church Commissioners for England of interests in two Indian sandalwood plantations, is an endorsement of the appeal of the Beyond Carbon product to major institutional investors.

"Importantly, TFS is continuing to attract strong global demand from the pharmaceutical, fine fragrance, carving and luxury cosmetic industries for East Indian Sandalwood and oil."

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ABOUT TFS

TFS Corporation Ltd ("TFS", ASX: TFC) is an owner and manager of Indian sandalwood plantations in northern Australia. As part of its vision to be a vertically integrated producer of sandalwood products, TFS owns a significant proportion of the plantations in its own right. TFS also operates sandalwood processing and oil distribution facilities from Albany, Western Australia.

TFS was originally founded to exploit the success of government trials into the plantation growth of Indian sandalwood in the Ord River Irrigation Area (ORIA) of north-east Western Australia.

TFS now manages the largest area of Indian sandalwood plantations in the world, with approximately 9,000 hectares planted of which TFS owns directly and indirectly nearly 3,200 hectares. TFS plantations are managed on behalf of both institutional, high net worth and MIS investors.

In 2014, TFS completed its first commercial harvest of its Indian sandalwood plantations and, via its 50% subsidiary Santalis Pharmaceuticals Inc., entered into a supply agreement for pharmaceutical grade oil with Galderma, a leading global dermatology company.

The company listed on the Australian Stock Exchange in December 2004. Since March 2014, TFS has been an ASX300 company.

TFS is committed to adopting and maintaining the highest environmental and ethical standards in all aspects of its business.

ABOUT INDIAN SANDALWOOD

Indian sandalwood has a history as a tradeable commodity spanning thousands of years, but is now endangered due to the illegal harvest of wild trees throughout the world. As a result, Indian sandalwood is the world's most expensive tropical hardwood and continues to increase in price each year.

Indian sandalwood oil is a globally important ingredient in fine fragrances, cosmetics and toiletries, Indian consumer products and for medicinal purposes (Ayurvedic and Chinese medicine) and the wood is used for high quality carvings and artefacts and religious worship in the Hindu and Buddhist faiths. The efficacy of Indian sandalwood is being tested by US dermatology companies and the global pharmaceutical market has the potential to be a significant consumer of Indian sandalwood oil.