



## **ASX Release**

2 July 2015

### **Sales and operational results for FY15 – reaffirmation of guidance**

#### **Highlights:**

- FY15 product sales of more than 1,500 hectares of sandalwood plantations – up on prior year and in line with expectations
- TFS to complete the establishment of approximately 1,500 hectares of new plantations by the end of July
- Harvest of plantations established in year 2000 now complete
- Full year cash EBITDA and profit after tax expected to be in line with guidance

TFS Corporation Limited ("TFS", "Company", ASX: TFC), the world's largest owner and manager of commercial Indian sandalwood plantations, today announced the sale of more than 1,500 hectares of new Indian sandalwood plantations in FY15 and reaffirmed its guidance for its financial results for FY15.

TFS CEO Mr Frank Wilson, said: "We have achieved the key sales and operational targets we set ourselves twelve months ago and we have sold more hectares of new plantations than ever before. The increasing appeal of direct investment in our plantations is also evidenced by sales to a broader range of territories and types of investors.

"As a result of this continued sales success, our financial results for the full year are set to meet guidance with record cash EBITDA and net profit after tax."

#### **Product sales**

TFS has completed the sale of more than 1,500 hectares of new plantations in FY15 to institutional, international high net worth, and domestic high net worth and retail investors (FY14: 1,477ha).

#### **Planting**

TFS is on schedule to complete the establishment of approximately 1,500 hectares of new Indian sandalwood plantations by the end of July, the vast majority of which have already been planted in the Northern Territory and Queensland (FY14: 1,587ha).

#### **Harvest**

TFS has completed the harvest of 35ha of Indian sandalwood plantations which were established around 15 years ago in Kununurra. The trees owned by TFS will be processed into pharmaceutical grade oil later this month and the trees owned by growers will be sold in Q1 FY16.

**Earnings guidance**

TFS expects to report financial results in line with its previous guidance with cash EBITDA up by approximately 10% on FY14 and net profit after tax of at least \$90 million.

**-ENDS-**

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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 over 10,000 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.