

**T.F.S. CORPORATION LTD**  
**ABN: 97 092 200 854**  
**APPENDIX 4E (RULE 4.3A)**  
**PRELIMINARY FINAL REPORT**

Current reporting period is the financial year ended 30 June 2016  
Previous corresponding period is the financial year ended 30 June 2015

	Percentage Change			30-June-16 12 months \$'000	30-June-15 12 months \$'000
<b>Revenue</b>					
<b>Revenue (Cash*)</b>	Up	16.1%	to	175,461	151,167
Revenue from establishment fees	Up	19.2%	to	94,966	79,647
Revenue from recurring fees	Up	24.0%	to	28,760	23,188
Revenue from product sales	Up	7.9%	to	29,854	27,662
Revenue from land sales	Up	14.9%	to	8,094	7,045
Interest Revenue	Up	4.1%	to	3,622	3,481
Other Revenue	Up	0.2%	to	10,165	10,144
<b>Revenue (Non-Cash*)</b>					
Revenue from recognition of deferred fees	Down	39.7%	to	16,233	26,912
Fair value gain of biological assets – TFS interest	Down	46.5%	to	76,893	143,752
Other Revenue	Down	93.8%	to	207	3,325
<b>Total Revenue from Ordinary Activities</b>	Down	17.3%	to	<u>268,794</u>	<u>325,156</u>
<b>EBITDA</b>					
Cash EBITDA	Up	8.0%	to	62,162	57,533
Non Cash EBITDA	Down	23.3%	to	<u>100,999</u>	<u>131,675</u>
<b>Total EBITDA</b>	Down	13.8%	to	<u>163,161</u>	<u>189,208</u>
<b>Net profit after tax</b>					
Net profit after tax (Cash*)	Down	32.3%	to	14,118	20,848
Net profit after tax (Non-Cash*)	Down	17.5%	to	<u>76,025</u>	<u>92,173</u>
<b>Net profit from ordinary activities after tax</b>	Down	20.2%	to	<u>90,143</u>	<u>113,021</u>
<b>Plantation Product Sold</b>					
Hectares of MIS & SIO product sold	Down	10.5%	to	655.0	731.7
Hectares of wholesale product sold	Down	35.0%	to	521.4	801.7
<b>Total plantation product sold</b>	Down	23.3%	to	<u>1,176.4</u>	<u>1,533.4</u>
<b>Earnings Per Share</b>					
Basic EPS (Based on net profit after tax)	Down	26.0%	to	25.66	34.66
Diluted EPS (Based on net profit after tax)	Down	24.9%	to	25.01	33.30
Cash Diluted EPS	Down	36.2%	to	3.92	6.14
Earnings used in calculating cash diluted earnings per share					
Net Profit after tax (Cash*)	Down	32.3%		<u>14,118</u>	<u>20,848</u>
				<u>14,118</u>	<u>20,848</u>
<b>Net Tangible Assets Per Share</b>					
Net tangible asset backing per ordinary share	Down	3.6%	to	128.29	133.12

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## \*Definition of Cash / Non Cash

The Group's Cash EBITDA/NPAT is stated after eliminating the following from total Group EBITDA/NPAT:

- Fair value gain of biological assets;
- Revenue from recognition of deferred lease and management fees;
- Change in the fair value of land and buildings;
- Accounting treatment relating to the business combination transactions; and
- Unrealised foreign exchange gain / (loss).

## Entities acquired during the period

On 31 July 2015, T.F.S. Corporation Ltd acquired Santalis Pharmaceuticals Inc. ("Santalis") and ViroXis Corporation ("ViroXis"). Santalis manufactures and markets botanical pharmaceuticals using Indian Sandalwood oil, whilst ViroXis is a bio-pharmaceutical company focused on developing and commercialising innovative, proprietary, botanical pharmaceuticals derived from Indian Sandalwood oil. The strategic rationale behind the acquisition was to:

- Extend the Group's vertically integrated business and bring within the Group the formulation and development of products which is likely to maximise the demand for the Group's Indian Sandalwood oil;
- Provide the Group with increased access to the significant potential returns from royalty and licensing fees from dermatology products; and
- Provide a direct contractual and operational relationship with leading global pharmaceutical companies.

The business combinations contributed revenues of \$0.140m from ViroXis and \$0.537m from Santalis and net loss before tax of \$3.299m from ViroXis and \$3.412m from Santalis for the year ended 30 June 2016 from their date of acquisition. It is expected that the Group would have reported \$268.86m in consolidated revenues and \$82.385m consolidated net profit after tax attributable to members for the year ended 30 June 2016, had the business combination occurred at the beginning of the reporting period.

## Dividends

	Amount per share (cents)	Franked amount per share (cents)
Final Dividend (FY15) – declared and paid on 9 November 2015	3.00	3.00
Final (FY16) - declared	3.00	3.00
	Record date	Payment date
Final Dividend (FY16) – declared	10 October 16	8 November 16

## Last date of receipt of Dividend Reinvestment Plan (DRP) Participation notice

DRP election to be received by 11 October 2016. The standard DRP will be implemented with a 2.5% discount to the VWAP for the five days post the record date.

## Commentary on Results for the Year

This Appendix 4E should be read in conjunction with the 2016 Annual Report of T.F.S. Corporation Ltd.

## Audit

The results are based on accounts which have been audited by Ernst & Young.

## Annual General Meeting

The annual general meeting will be held as follows:

Location: Pan Pacific Hotel (Perth, Western Australia)  
Date: 11 November 2016  
Time: 9am