



## **ASX Release**

28 June 2016

### **Global institutional investor acquires new TFS plantations**

TFS Corporation Limited ("TFS", ASX: TFC, "the Company"), the world's largest owner and manager of commercial Indian sandalwood plantations, today announced the execution of contracts with a new institutional investor in the Company's Beyond Carbon product. The new investor is a US-based global investment management firm with over US\$100 billion of assets under management and an established track record of investing in Australian and New Zealand agriculture.

The key terms of the investment include:

- Sale of new Indian sandalwood plantations.
- Sale of the freehold land in the Northern Territory, originally acquired by the Company in 2015.
- TFS to manage the plantations through to harvest.
- Total FY16 revenue from the sale of the land and plantations of AU\$27.0 million.
- Cash settlement scheduled for 29 June 2016.

TFS's Managing Director, Frank Wilson, said, "We are delighted that this significant new institution has invested in our Indian sandalwood plantations, through our Beyond Carbon product. This transaction again highlights that TFS's plantations are an attractive asset class which delivers compelling returns to our investors. As we continue to expand the markets for our processed wood and oil in international pharmaceutical, fine fragrance, carving and luxury cosmetic markets, these returns will increase further and continue to attract new investors to our plantation products."

This transaction has been approved by the Foreign Investment Review Board.

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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 in 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 commercial Indian sandalwood plantations in the world, with over 10,500 hectares planted of which TFS owns directly and indirectly over 3,500 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 subsidiary Santalis Pharmaceuticals Inc., entered into a supply agreement for pharmaceutical grade oil with Galderma, a leading global dermatology company wholly owned by Nestle.

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 which 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 for a range of skin conditions and the global pharmaceutical market has the potential to be a significant consumer of Indian sandalwood oil.