



ASX Release

18 September 2014

Trading update and reaffirmation of guidance

Sale to fine fragrance market

TFS Corporation Limited ("TFS", "the company", ASX: TFC), the world's largest owner and manager of commercial Indian sandalwood plantations, today announced the sale of Indian sandalwood oil to a leading company in the fine fragrance sector. This initial sale of 50 kg of oil at a price of US\$4,750 per kg is a further indication of the breadth of markets for TFS's wood and oil products and the significant potential for price appreciation.

Pharmaceutical product marketing launch

As previously announced, the first dermatology products using TFS's pharmaceutical grade oil will soon be available in retail stores in the USA. The marketing launch for media and the dermatology industry is scheduled for Q4CY14 in New York.

Settlement from institutional investor

In March, TFS announced it had received investment committee approval from a significant UK institution to invest in its Beyond Carbon product. The Company confirms that the first tranche of this investment has been settled by the UK institution.

Recent share price movements

The Company notes the recent movements in the share price and confirms that it is in compliance with its disclosure requirements under ASX Listing Rules, in particular Listing Rule 3.1.

The Company reaffirmed its guidance for FY15, being NPAT of at least \$70m with cash EBITDA expected to increase by 10% on FY14.

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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.