



## ASX Release

31 May 2016

### **TFS reports first buy-back offer closes with 66% acceptance**

TFS Corporation Limited (“TFS”, ASX: TFC), the world's largest owner and manager of commercial Indian sandalwood plantations, today reported that the first of a series of its buy-back offers to investors in certain of TFS’s Managed Investment Schemes closed with a 66% acceptance rate.

TFS Managing Director Frank Wilson said, “This is a very pleasing result given the proximity of this first offer to the harvest of the TFS2000 scheme.

“The high level of acceptances highlights the attractive returns provided by this scheme, with the majority of investors generating a return of more than three times their original investment on a pre-tax basis. The TFS2000 scheme has provided those investors with a superior rate of return to most asset classes over the same period of investment.

“The next buy-back offers will shortly be issued to growers in the TFS2002 scheme which is due to be harvested in 2017. We are expecting a high level of acceptances given the longer period until the harvesting of this scheme,” Mr Wilson said.

The Indian sandalwood yield owned by investors who did not accept the TFS2000 buy-back offer will be offered to the market in a tender process which is expected to commence after the completion of the harvest in June.

TFS’s buy-back of certain MIS schemes is being funded by a \$68 million equity raising announced on 4 April 2016.

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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.

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