



TFS CORPORATION LTD

FULL YEAR RESULTS

30 June 2007



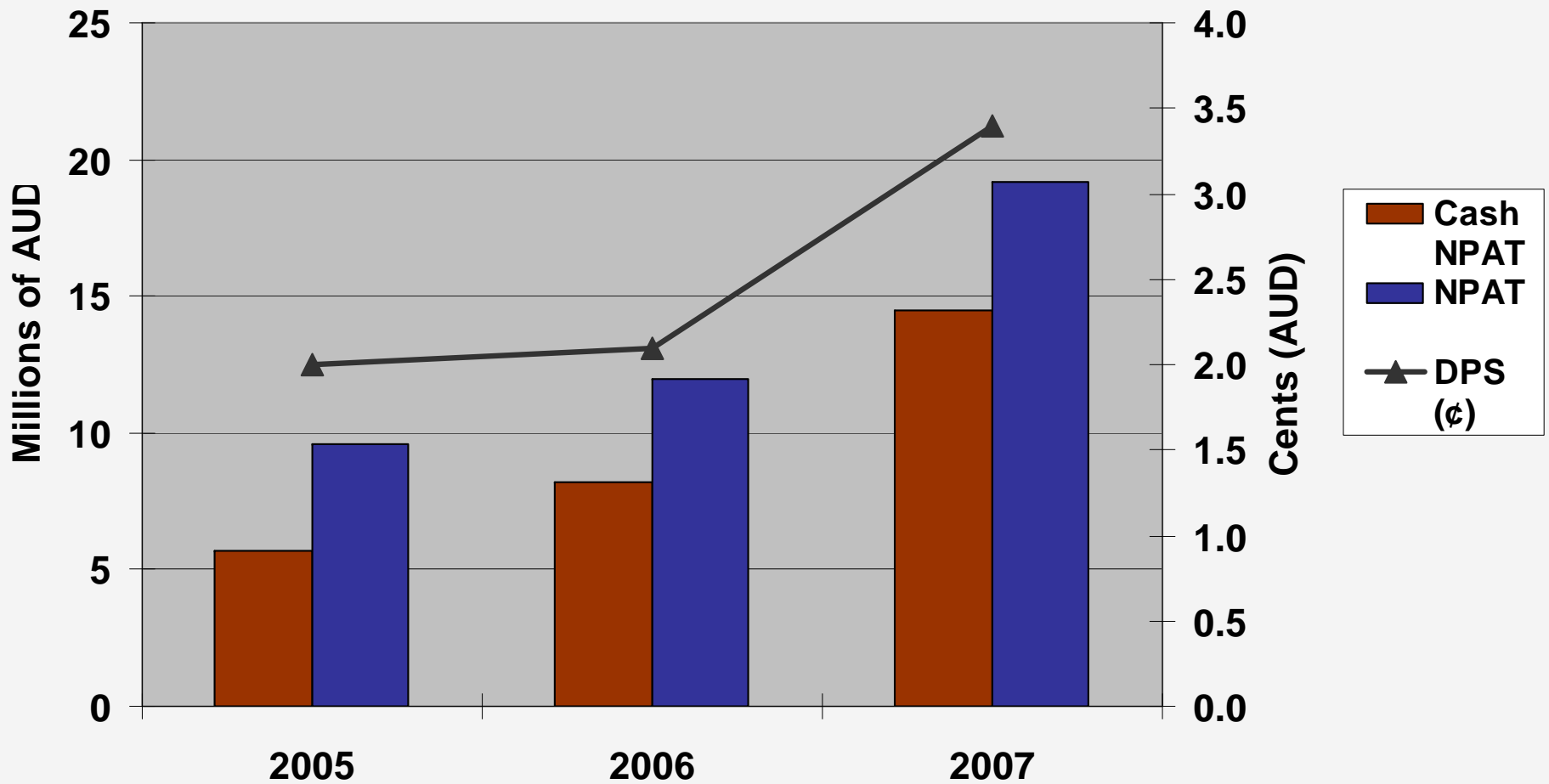


FY07 RESULTS – ABOVE EXPECTATIONS

	FY07 \$m	FY06 \$m	% Change
'Cash' Revenue	38.33	22.68	+69
Tree Revaluation	3.97	3.40	+17
Deferred fee recognition	2.78	1.98	+39
TOTAL REVENUE	45.07	28.06	+61
'Cash' EBITDA	22.15	12.26	+81
TOTAL EBITDA	28.89	17.64	+64
'CASH' NPAT	14.47	8.23	+76
NPAT	19.18	11.99	+60
"CASH" EPS	9.08	5.21	+74
EPS (¢)	12.04	7.60	+58
DPS (¢)	3.4	2.1	+61

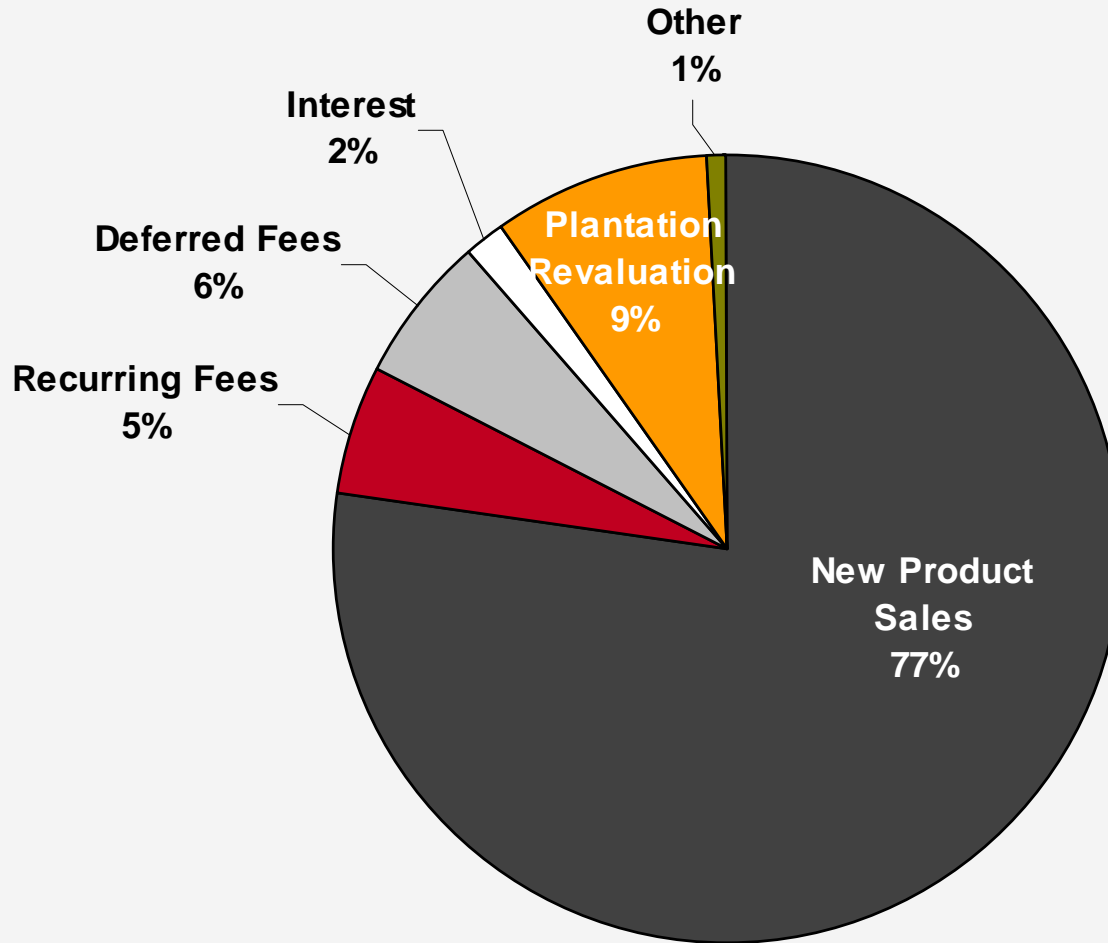


NPAT/DIVIDEND GROWTH





FY07 REVENUE SPLIT





STRONG FINANCIAL POSITION

	FY07	FY06	% Change
Net Assets	\$59.1m	\$38.1m	+55
Sandalwood Trees	\$19.5m	\$15.3m	+27
Deferred Fee Asset	\$7.4m	\$4.6m	+61
ROE	32.4%	31.5%	+3
ROA	15.7%	18.2%	-14
Net Debt (includes securitisation)	\$13.6m	\$4.5m	+202
Net Debt To Equity	23%	12%	+92
NTA Per Share	36.5¢	24.1¢	+51



FY08 REVENUE OUTLOOK

- Cash flow to further improve as refinancing of Arwon Loan Book (circa \$30m) continues
- MIS sales revenue to grow from anticipated sale of at least 650 ha and small price increases
- Recurring fee revenue to significantly increase as larger projects annual fees begin to “kick in”





FY07 ACHIEVEMENTS

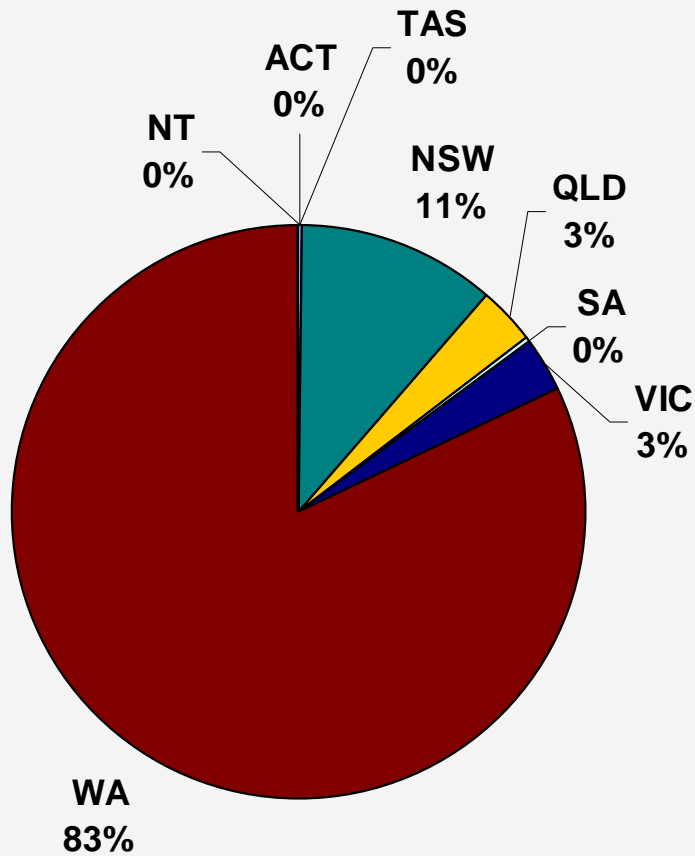
- Acquisition of “Kingston Rest” Property for \$18m
- Land bank locked in with approximately 3,200 hectares available for sandalwood
- Significant increase in market penetration in MIS on east coast
- Securitisation process well underway with approximately \$5m of our loan book completed and a further \$5m - \$10m in the pipeline
- Samples of 12 yr old Kimberley-grown oil sent to French labs – successfully met ISO specs
- Successful commencement of negotiations with leading fragrance companies
- Collaboration agreement with Albert Veille of France, to assist in the development of a processing and distillation plant in Kununurra
- Significant upscaling of both human resources and infrastructure in Kununurra to support increased plantings going forward



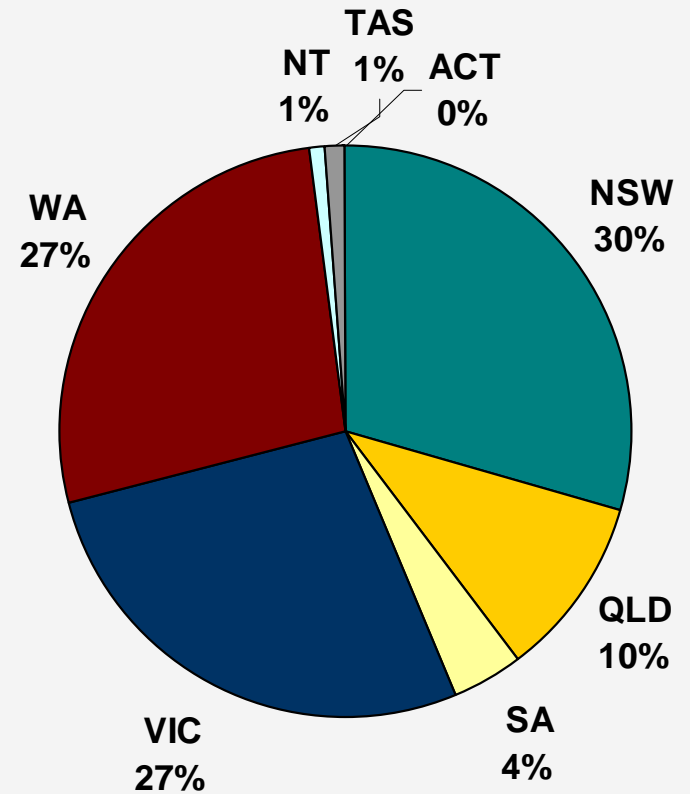
BROADER MARKET PENETRATION

Total hectares sold by state

2006



2007





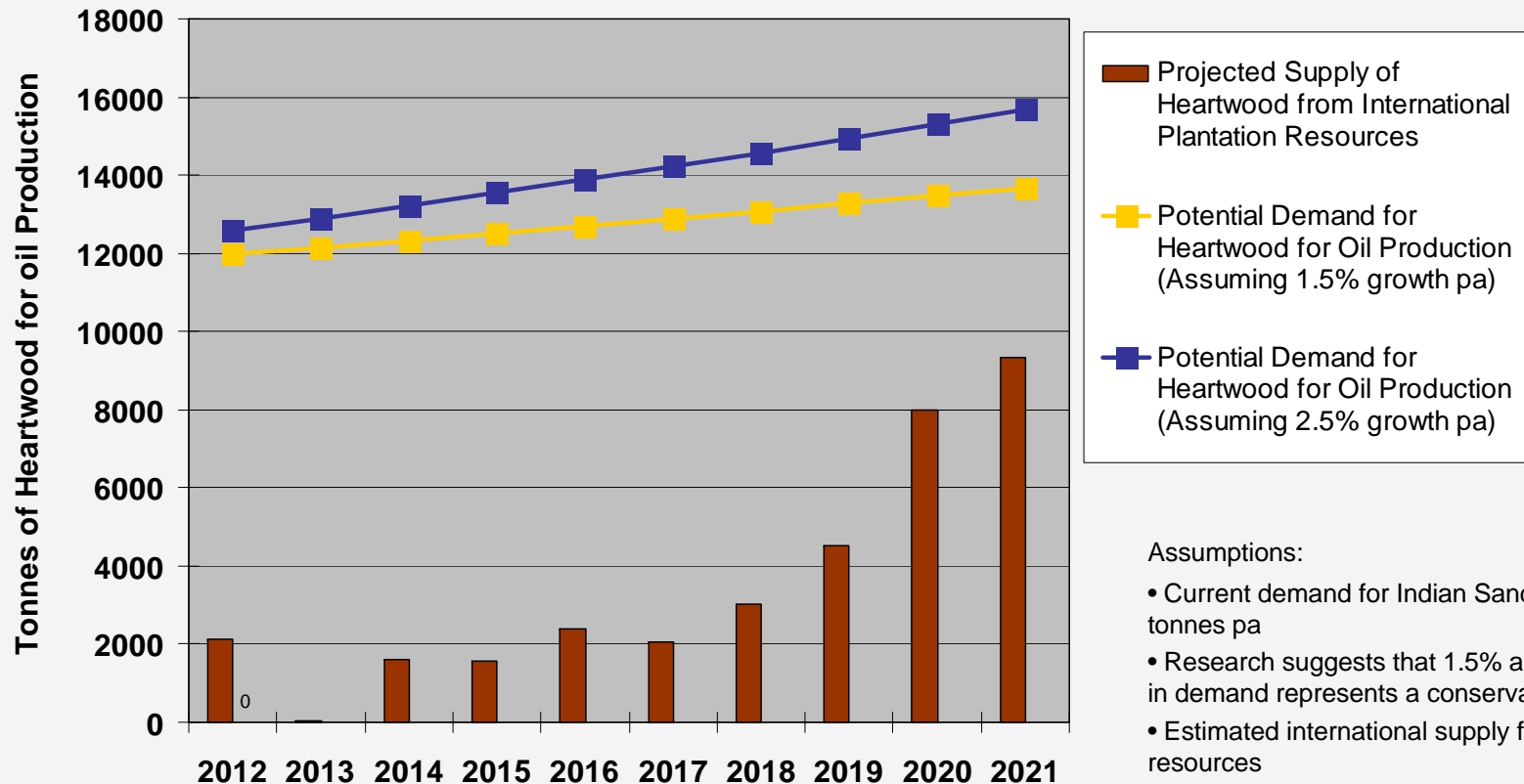
ALBERT VIEILLE

- Established in 1968
- Distillation and processing experience – commitment to quality
- Good reputation in the fragrance industry & well established networks
- Supply Agreements with major companies including Chanel
- TFS-Albert Vieille Collaboration Agreement
 - Support with processing trials - assess bringing forward projected commercial harvest date (now 2012)
 - Provide technical assistance and advice to TFS in the establishment of a pilot processing and distillation facility in Kununurra, WA
 - Assists in building TFS's skills and capability in the processing and distillation of Indian Sandalwood oil and increasing market awareness thereof
 - Market development – help TFS to grow sustainably to meet untapped demand in the fragrance industry (Albert Vieille has the right to purchase 25% or up to 10 tonnes of TFS oil)
 - Identify other high value crops for the fine fragrance industry that may be grown in plantations



PROJECTED SUPPLY & DEMAND FOR PLANTATION GROWN HEARTWOOD FOR OIL PRODUCTION

- Supply is consistently under projected demand
- Consumer-driven growing demand for natural, ethical and sustainable supply



Assumptions:

- Current demand for Indian Sandalwood oil 350 tonnes pa
- Research suggests that 1.5% and 2.5% growth in demand represents a conservative estimate
- Estimated international supply from plantation resources
- Harvest estimates derived from PDS
- Heartwood from plantation-grown Indian Sandalwood yields 3.15% oil



BARRIERS TO ENTRY

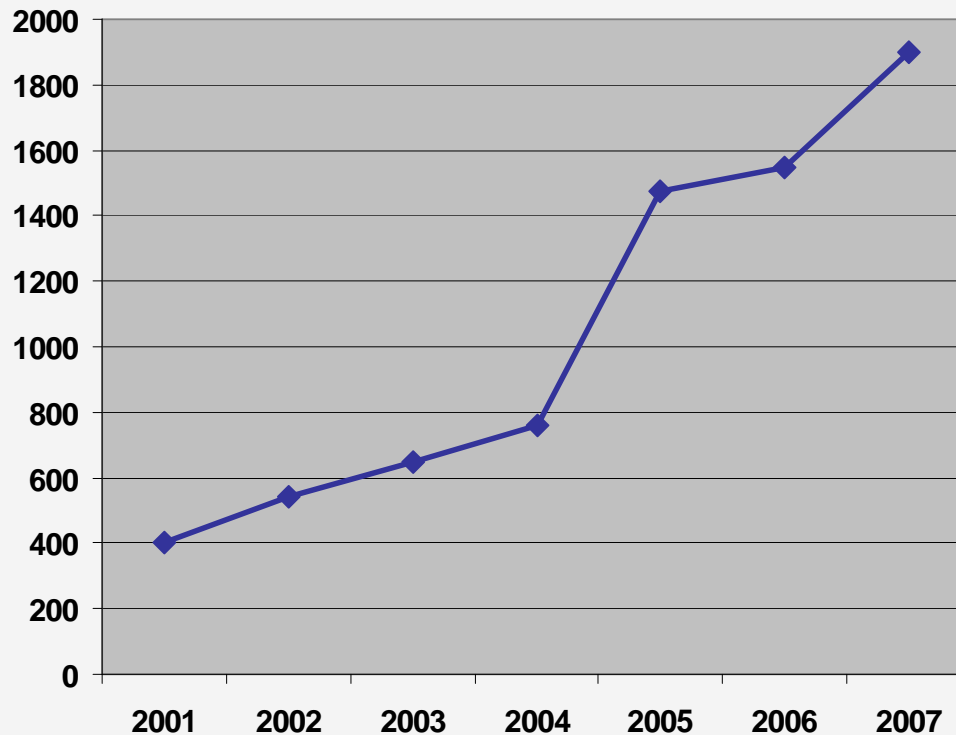
- Water
 - TFS has water security with Lake Argyle (30 times the size of Sydney Harbour) plus a 67-gigalitre dam on its Kingston Rest property (equal to 30,000 Olympic sized swimming pools)
- Intellectual property
 - TFS has 10 years lead on any new entrants to the market
 - A team of expert agronomists and foresters have refined cultivation techniques
- Suitable land
 - Limited availability of suitable land (soils, climate)
 - Land ownership/tenure is a problem in many countries with suitable land
- Overseas government regulation - reduces incentive to grow
 - Greater risk to investment in many O/S countries - political instability
- Theft and poaching
- Difficulties in sourcing seed
- Disease – Spike disease in India



RISING INDIAN SANDALWOOD PRICES

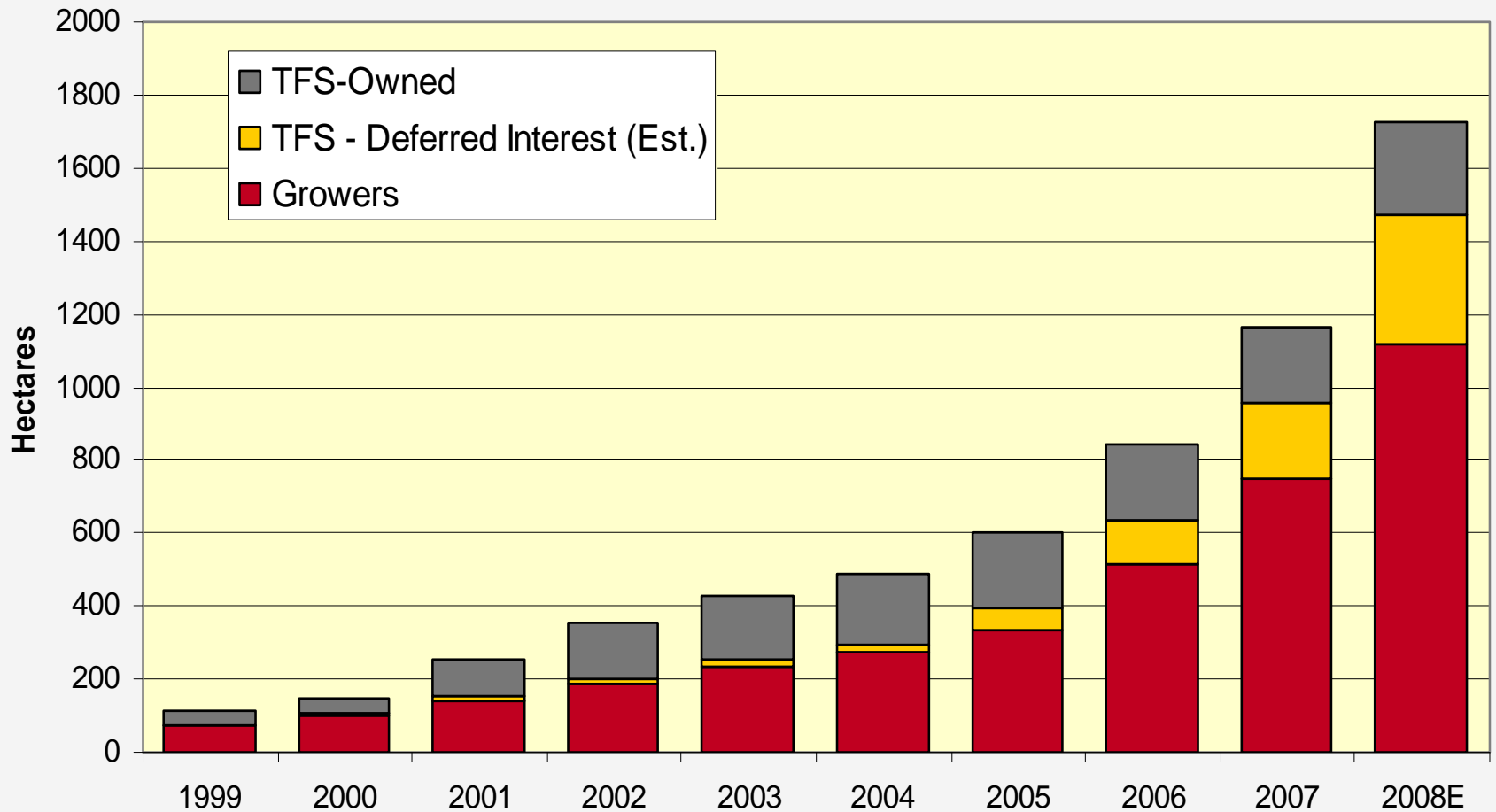
- Demand / supply imbalance evidenced by steep rise in Indian Sandalwood prices – compound average annual increase of 22% over last 15 years

Price of Indian Sandalwood Oil by Year (US\$/kg)





TFS PLANTATION GROWTH





SUMMARY OF KEY MESSAGES

- FY07 Strong growth
- FY07 Broader market penetration
- FY08 Anticipated increase in revenue
- Continued positive market dynamics for Indian Sandalwood





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Kingston Rest Dam