



PROJECT SUMMARY

TFS Spicatum Project 2010

AUSTRALIAN SANDALWOOD



TFS SPICATUM PROJECT 2010

Australian Sandalwood

INVESTING WITH TFS

EXPERIENCED IN MIS

Whilst the TFS Spicatum Project 2010 (Spicatum 2010) is the first Australian Sandalwood (*Santalum spicatum*) project offered by TFS Properties Ltd (ACN 093 330 977) (TFS), TFS has been involved in the establishment and management of Indian Sandalwood (*Santalum album*) since 1999 and currently has over 2,500 hectares of plantation Indian Sandalwood located in Kununurra, the far north of Western Australia.

EXPERIENCED PROJECT MANAGEMENT

TFS Properties Ltd will engage the services of WA Sandalwood Plantations Pty Ltd (ACN 101 300 412) (WASP) as the Project Treefarm Contractor to undertake all plantation management and maintenance services for the project.

WASP management has some 13 years experience in growing Australian Sandalwood in a plantation environment. WASP is a Western Australian company, dedicated to growing and managing commercial plantations of Australian Sandalwood on behalf of investors and shareholders, involving over 12 plantation projects.

Since being founded in 2001, WASP has established and now manages over 1,570 hectares of Australian Sandalwood plantations in Western Australia.

INVESTING IN AUSTRALIAN SANDALWOOD

WHAT ARE WE OFFERING?

The TFS Spicatum Project 2010 gives you the opportunity to grow your own Australian Sandalwood, a wood with strong demand and established markets.

Furthermore you can supplement this long term investment with regular Royalty Payments (starting year 6 of the project) from TFS in acknowledgement that you forego ownership of the Seeds of the Australian Sandalwood tree.

PLANTATION LOCATION

TFS will purchase or lease suitable land that meets the selection criteria in the Wheatbelt area of Western Australia.

A NATIVE TO WESTERN AUSTRALIA

Santalum spicatum is indigenous to Western Australia. *Spicatum* has been harvested, processed and exported from Western Australia for over 150 years. This project will grow plantation trees that also occur naturally in the Wheatbelt areas of Western Australia.

INCREASING PRICES

The average price paid for Australian Sandalwood has increased continually over the last at least 5 years. Further details on the these increases in price of Australian Sandalwood, as well as information on the market for Australian Sandalwood, are set out in the Product Disclosure Statement for Spicatum 2010.

PROJECT COST AND FEATURES

WOODLOT SIZE

The TFS Spicatum Project 2010 (ARSN 143 731 364) has a minimum investment of one Woodlot which is 0.25 of a hectare in size.

SINGLE, UPFRONT ESTABLISHMENT FEE PAYABLE ON APPLICATION

The Establishment and Ongoing Services Fee for one Woodlot is \$4,290 (including GST).

NO ONGOING LEASE AND MANAGEMENT FEES

Whilst there is no annual fees, growers will forego up to 20% of Gross Harvest Proceeds at the end of the project to cover the Rent, Selling and Marketing Fee and the Project Treefarming Contractor's Incentive Fee.

100% TAX EFFECTIVE PRODUCT RULINGS

The TFS Spicatum Project 2010 has been granted a Product Ruling (2010/12) from the Australian Taxation Office (ATO). The ruling confirms that all fees paid in relation to TFS Spicatum Project 2010 are fully tax deductible in the financial year they are paid.

Growers that are registered for GST may also claim input tax credits for GST paid in relation to the TFS Spicatum Project 2010. By becoming a Grower, you are deemed to be in business and therefore entitled to register for GST.

TWELVE MONTHS INTEREST FREE

Establishment and Ongoing Service Fee may be paid over a period of 12 months, exclusive of interest. A deposit of 20% of Establishment and Ongoing Service Fee will be required upon application.

ATTRACTIVE, LONG-TERM FINANCE

In-house finance company, Arwon Finance Pty Ltd, offers full-recourse loans to approved investors in the TFS Spicatum Project 2010.

- Principal and Interest up to 10 years
- Principal and Interest rates start at 11.75% pa
- A deposit is payable upon application

INSURANCE

Plantation Insurance is optional at the election of growers however any growers indebted to Arwon Finance Pty Ltd will be required to effect insurance during the period of such indebtedness.

HOW TO INVEST

REQUEST A PDS

We recommend that you consult a licensed professional adviser before making a decision to invest in the TFS Spicatum Project 2010 (Spicatum 2010). A soft copy of the Product Disclosure Statement (PDS) for Spicatum 2010 can be downloaded from our website – www.tfsltd.com.au. For a hard copy, please visit our website, or contact our marketing department for further information.

You should consider the Product Disclosure Statement in its entirety before deciding whether to invest in the TFS Spicatum 2010 Project.

RESPONSIBLE ENTITY – TFS PROPERTIES LTD

The responsible entity of the TFS Spicatum Project 2010 is TFS Properties Ltd (ACN 093 330 977). TFS Properties Ltd is the issuer of the investment products in TFS Spicatum Project 2010, and can be contacted at the following addresses:

Street: 169 Broadway, Nedlands WA 6009

Postal: PO Box 3040 Broadway, Nedlands WA 6009

Phone: (08) 9386 3299

Fax: (08) 6389 1546

Email: tfs@tfsLtd.com.au

Web: www.tfsltd.com.au

The financial assumptions and risks of TFS Spicatum Project 2010 (Spicatum 2010) are shown in the Product Disclosure Statement (PDS). Only the PDS contains the offers to subscribe for securities in Spicatum 2010 and you should consider the PDS in deciding whether to acquire an investment in Spicatum 2010. You will need to complete the Application Form in or accompanying the PDS. The Responsible Entity for Spicatum 2010 and the entity making the offers is TFS Properties Ltd. TFS Properties Ltd is a wholly-owned subsidiaries of TFS Corporation Ltd.





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