

28th October 2010

TSF Commercial Enterprise Future Direction Announcement



everyone's family

The Smith Family made a business decision in 1960 to run a commercial enterprise that would collect recycled goods for re-distribution to needy clients and deliver profits to the social enterprise. Profits from our commercial activities would help ensure that more of our supporters' funds could be directed to where they were needed most, our community programs.

Today our commercial enterprise comprising of clothing recycling and nonwoven textile manufacturing, located at Villawood, continues to deliver annual profits to The Smith Family, however these commercial activities need to now be taken to the next level in order to grow.

The Smith Family will retain and continue to run the clothing recycling business.

The clothing recycling and retail operations of The Smith Family will be retained and will continue to be a very important source of funding and community engagement for The Smith Family.

These activities are strategically aligned with The Smith Family's community mission and such it is the organisations intention to grow and further develop our clothing recycling activities.

The Board of The Smith Family has decided to explore the divestment of the Nonwoven operations as a going concern.

In recent years The Smith Family has invested capital to facilitate the growth of the Nonwoven operations and we have seen the benefits and potential of doing this. However for the Nonwoven business to realize its future growth opportunities and to meet future customer expectations there will be a requirement for additional funds for further capital investment.

A successful divestment of the nonwoven operations would result in a simplified commercial business for The Smith Family in addition to providing the conditions under new ownership that will support the nonwoven operations future growth potential.

During the upcoming divestment process, we will be providing all staff, customers and suppliers with regular relevant progress updates.

Please feel free to contact either myself or your normal TSF commercial enterprise contact at any time should you wish to discuss this announcement further.

Cathy Bray
TSF Commercial Enterprise CEO