



International dermatology company Galderma confirmed as multi million dollar buyer of sandalwood oil

The world's largest producer of Indian sandalwood says Nestle-owned company Galderma is the multi-million-dollar buyer of its oil.

Tropical Forestry Services (TFS) [announced in March it had signed a deal](#) expected to be worth half a billion dollars with a pharmaceutical company.

TFS has plantations in Western Australia, the Northern Territory and Queensland.

The company's head of global products Mario Di Lallo says Galderma will use the oil in various products.

"Things like eczema creams, warts, acne, actinic keratosis, which are the pre-cancerous skin lesions that people go and get cut off and burnt off.

"Most things that afflict the skin."

Mr Di Lallo confirms the deal to sell the sandalwood oil for US\$4,500 per kilogram for up to 20 years. "In Australian dollars, it's almost \$5,000 which is double the global market price today.

"We have got a premium because we produce a pharmaceutical product," Mr Di Lallo said.

"It's not just a standard oil. It is a pharmaceutical-grade oil that we are now producing." Galderma has bought 470 kilograms of the oil so far, which equates to A\$2.3 million, for trials.

Mr Di Lallo won't confirm how much oil is expected to be produced, but says TFS is expecting Galderma to buy majority of it.

"They probably can use all of it, but we may want to supply a little bit to other sectors like cosmetics, perfumery and take some of the wood out for carvings."

With other markets still being looked into, Mr Di Lallo confirms TFS is in talks with other buyers.

"I travel almost monthly around the world engaged with those other sectors."

Galderma's products are expected to be released later this year in the United States.

Source: <http://www.abc.net.au/news/2014-08-15/dist-sandalwood-sale/5673180>

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