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September 2013

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Safe, Nutritious, Longer Life

We believe that people's needs have moved towards safer, nutrient rich, longer life convenient foods.

All our products have a purpose of bringing value to consumers lives through best nutrition and innovative convenience.

freedom FOODS GROUP LIMITED

Freedom Foods
Better food for
everyone

Specialty
Seafood Brands

Pactum Australia
Innovative UHT
Packaging Solutions

A2
Specialised Milk
Products

freedom
IONEST, NUTRITIOUS & FREE **FOODS**

BRUNSWICK
TM

PACTUM
AUSTRALIA

a2 *Feel the Difference*
THE ORIGINAL MILK PROTEIN

Norganic

AUSTRALIA'S
OWN
ORGANIC

Almond
Breeze
ALMONDMILK

Paramount
TM

freedom

HONEST, NUTRITIOUS & FREE

FOODS

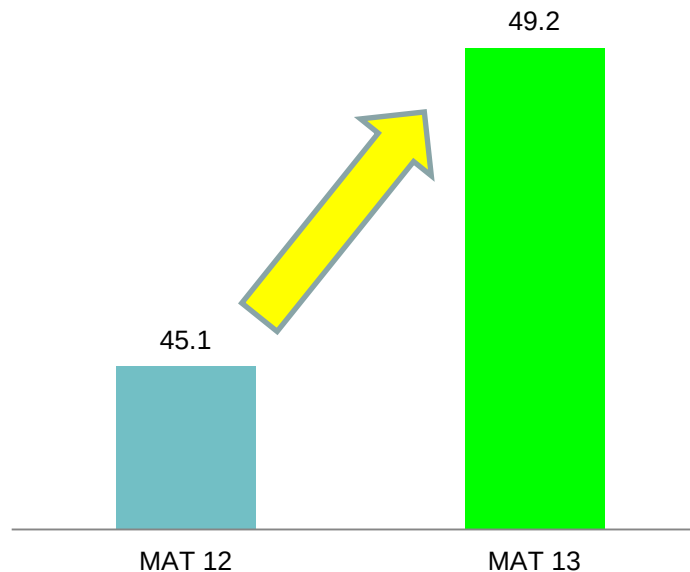
Freedom Foods

- Strong momentum from FY 2012
- Core Cereals sales of 1 million cases (50% volume / 41% sales)
 - New product innovation
 - Increased distribution points, shelf weights, user frequency
 - Increasing international sales (based on allergen free / non GMO claims)
 - Cereal growth driving increased Leeton efficiencies, including labour, supply chain and distribution
- Dairy Alternative beverage growth of 14% volume / 24% sales
 - Increased market share of Australia Own Organic and Blue Diamond Almond Milk
- Breakfast snack and nut free snacks recorded growth of 127%, albeit from a small base
- Significantly increased Business EBDITA contribution

Freedom Foods

- Strong growth in Health Cereals Category

Freedom Share of Health Cereals



Source: Aztec



FREE FROM

G
GLUTEN

N
NUTS*

W
WHEAT

D
DAIRY

E
EGGS

F
FRUCTOSE

S
SOY

Y
YEAST

GM
GEN/MOD

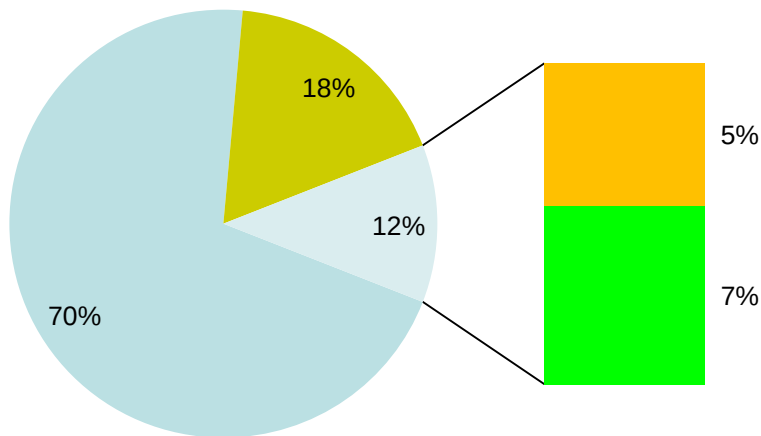
Key Highlights

- Non Dairy Beverages

Significant growth in Almond Category, Soy & Rice Category Declining

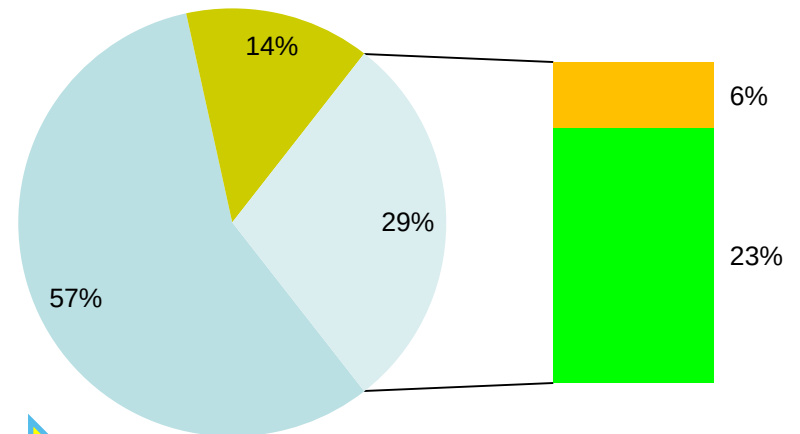
Category Share \$ MAT 12

■ Soy ■ Rice ■ Other ■ Almond



Category Share \$ Jul-13

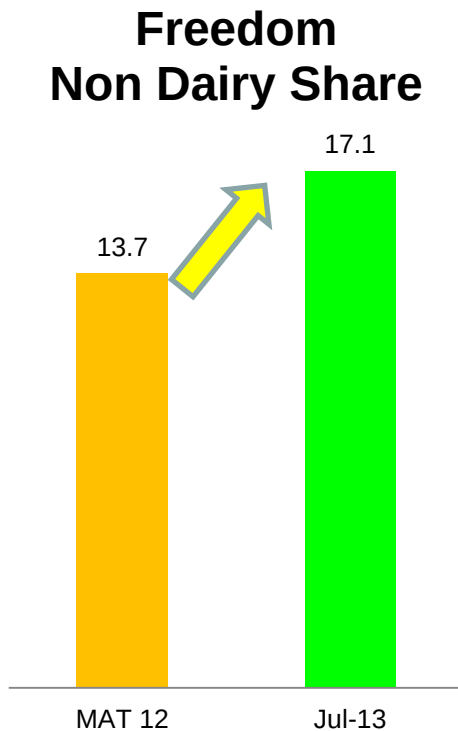
■ Soy ■ Rice ■ Other ■ Almond



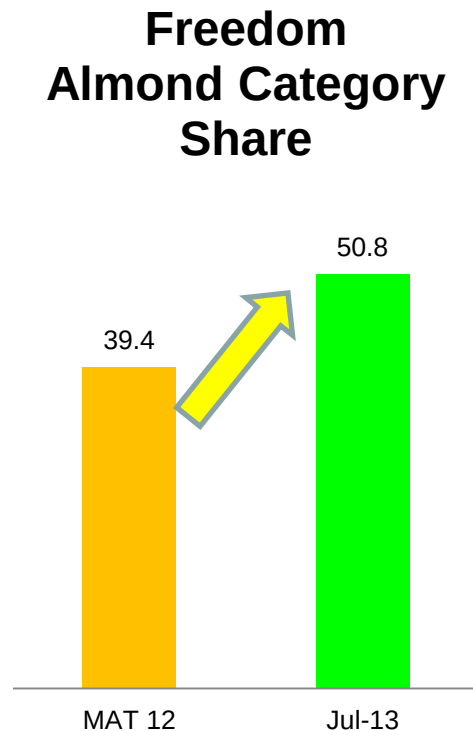
Source: Aztec

Key Highlights

- Freedom share of Non Dairy



Source: Aztec



Development Activity

- Business leveraging core manufacturing capabilities

USA Ranging
Development



Launching Sept 13



NPD July 13



Leeton
Manufacture Aug 13



Freedom Foods – Next 12 Months

- Increasing Sales
 - New product development (Cereals, Dairy Alternative Beverages)
 - Increasing distribution points and stock weights
 - New channel development (Food Service, Industrial)
 - Driving awareness of brand and products across a broader consumer base with brand and product innovation relevant to health conscious consumers
 - Building North America retail presence based unique point of differentiation (free of allergens and Non GMO)
- Upgrade to Cereal packaging capability at Leeton, providing increased capacity, product capability and lower cost
- Upgrade to Extrusion capability (growth domestic and USA)
- Bar capabilities expansion



Specialty Seafood

- Brunswick Sardines and Paramount Salmon
- Brunswick sardines maintained its No 1 brand leadership position in Australia and New Zealand.
- In Salmon, Paramount increased its share in the Pink Salmon segment, although the brand suffered SKU ranging reductions in the 2nd half.
- The Speciality Seafood business performed below the previous corresponding period, reflecting lower sales in New Zealand and increased cost of Salmon.
- The business continued to utilise the procurement power of Bumble Bee Foods of North America, with Bumble Bee securing inventory requirements through priority access to Salmon and Sardine catch volumes.

Specialty Seafood Range



Specialty Seafood - Next 12 Months

- Maintain competitive range in Core Sardine and Salmon Products
- Build on Brunswick Specialty Position
 - Increase value added and snack offerings
 - Leveraging Canadian Origin, Omega 3 function and versatility
 - New branding focus aligned with above
- Leverage Procurement alliance with Bumble Bee Foods
 - Pricing and Supply advantages to our business
- Consistent performance over many years, assisting sales, marketing infrastructure to build group business units



Pactum Australia

- Innovative Contract Solutions in UHT (Long Life) Food & Beverage Products
- Non-dairy production volumes increased during the year to support the growth of the Freedom Foods Australia's Own and Blue Diamond brands, in particular focussed on the fast growing almond beverage category.
- The business continued to see benefit at its Sydney facility of increasing its mix of value added UHT products to a range of private label and proprietary customers, while migrating out of standard dairy milk production.
- Expansion of Packaging Capabilities
 - Portion Pack (250ml Capabilities) commissioned from January 13
 - Significantly increased depth and breadth of customers and sales
 - Well advanced on construction of UHT facility for export (China, SE Asia) for UHT dairy based in Shepparton, Victoria
- Strong Business EBDITA contribution

Pactum Australia

Core Range Formats UHT Beverages, Foods

Australasia Focus



Pactum Australia

- UHT facility at Shepparton well progressed
- The initial capabilities of the plant will be 200ml portion pack and 1 Litre UHT configuration.
- Initial capacity will be up to 100m litres, with capability to significantly increase this capacity in the longer term.
- Trial production to commence in December 2013.
- The business is well advanced in securing volumes to meet its base business plan for 2014, with a phased development over 3 years.



Pactum Australia

- New formats for Premium and On the Go Food & Beverage Positioning
- On the go convenience and premium differentiation
- Both capabilities will be for domestic customers and dairy based export customers.
- From FY 15 and phased development over 3 years.



Product Examples

Pactum Australia - Next 12 Months

- Innovative Contract Solutions in UHT (Long Life) Food & Beverage Products
- Expansion of packaging capabilities in Pactum will result in an increase in sales and profitability in the FY 14
- Additional growth opportunities available through meeting the increasing demands of its private label and proprietary customer base.
- Investment in Pactum Dairy Group provides a potential medium term opportunity to increase exposure to the growing demand for high quality and safe dairy products from South East Asia, including China.
- Key long term value added supply relationships into China and SE Asia:
 - A2 Dairy; and
 - China based Shenzhen JLL Group (JLL)

Feel the difference™



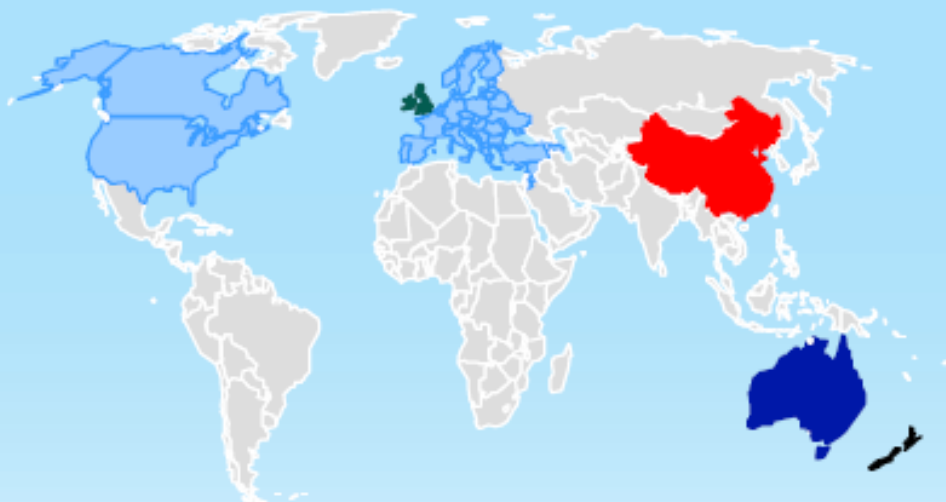
A2 Corporation – 18.04% Strategic Investment

- a2™ branded milk is the fastest growing milk brand in the Australian market with 7.4% of grocery channel market share by value. Sales growth in Australia increased 48%.
- a2™ brand milk in the UK market established in five retailer groups and 1000 retail outlets
- a2™ Platinum™ infant formula into China with first shipment invoiced in June 13, with sales planned from November 2013. Infant formula is planned for launch in Australia from September 2013.
- In December 2012, FNP sold 40m shares in A2C at NZ\$0.50, for a total net consideration of \$15.4 million, recording a pre tax profit of \$11.8m.
- FNP's 18.04% investment valued at around A\$72 million, materially above the book value of A\$9.9 million.

Current geographical and product overview



Geographic overview



KEY:

-  Australia: Sourcing, processing, marketing and sale of fresh milk, and licensing of yoghurt to Jalna
-  NZ: A2 entering the NZ fresh milk market directly, and infant nutrition manufacturing agreement with Synlait Milk
-  UK & Ireland: Sales and marketing JV with Robert Wiseman Dairies for sale of fresh milk and cream
-  China: Infant Formula growth area – nutritional powders manufacturing agreement with Synlait Milk and distribution agreement with China State Farm
-  US / Canada / Europe: Tier 1 "near term" global growth areas

Current product offering



Source: A2 Corporation Web Site

Financial Highlights – Full Year FY 2013

- Operating EBDITA of \$11.6 million, an increase of 113%
- Net Operating Profit was \$6.4 million, an increase of 92%, including an increase in operating income tax expense to \$1.8 million, against \$185k for the prior year period.
- The Reported Net Profit of \$13.7 million included non-operating after tax profit of \$8 million from the sale of 40 million shares in A2 Corporation, employee share option expense of \$246k (after tax), bad debts provision of \$205k (after tax) and resolution of a long term employee claim of \$140k (after tax). The Company is utilising future income tax benefits to reduce cash tax payable on the sale of the A2C shareholding.
- Equity Associates contributions of \$0.8 million reflected share of estimated year end profits from A2 Corporation including share of profits from FY 2012 not previously recognised.

Financial Highlights – Full Year FY 2013

- The Company completed a successful capital raising of \$17.4 million (gross proceeds) at \$1.04 per share from a placement and entitlements offer in March 2013.
- Net Debt / Equity at 10% from 82% at June 2012, reflected the sell down of the A2C shareholding and exercise of options by shareholders as well as the \$17.4m capital raising during the period.
- Net assets per share at \$0.63 and net tangible assets of \$0.47 per share, with A2C investment recorded at a book value of \$9.9 million.
- The Company is to pay a final dividend for the year of \$0.01 per ordinary share (fully franked) in November 2013, equating to a total ordinary share dividend of \$0.02 for the year. A fully franked converting preference share dividend will be paid in November 2013.

Financial Summary – Full Year FY 2013

12 months to 30 June	2013	2012 \$'000	% Change
Gross Sales Revenues (1)	115,516	72,556	+59.2%
Net Sales Revenues (1)	98,718	58,134	+69.8%
EBDITA (Operating) (2)	11,600	5,447	+113.0%
EBITA (Operating) (2)	8,972	4,075	+120.2%
Equity Associates Share of Profit	819	1,214	-32.5%
Pre Tax Profit (Operating)	7,524	3,476	+116.5%
Pre Tax Profit (Reported)	18,524	3,250	+470.0%
Net Profit (Operating)	6,351	3,305	+92.2%
Net Profit (Reported)	13,722	3,012	+355.6%
Total Ordinary Dividend (cps)	\$0.020	\$0.010	+100%
Total CRPS Dividend (cps)	\$0.028	\$0.028	-
EPS (cents per share)(Fully Diluted for CRPS)	11.39	3.03	+275.9%
Net Debt / Equity	10%	82%	-87.8%
Net Assets per Share	\$0.63	\$0.49	+29.6%
Net Tangible Assets per Share	\$0.47	\$0.26	+75.7%

FFG in Summary

- Market Opportunity
 - Large categories Health/dietary-driven segments growing rapidly.
- Platform for Growth Established
 - Cereals, Snacks, facility, products and brand
 - Pactum stable base, growth in customer driven capacity expansion
 - A2 milk, Australian success, growing globally
- High barriers to entry in Freedom 'free from', UHT and A2
- Geographic exposure growing (Asia and North America)
- Stable, growing, earnings and cashflows on sales revenues of +\$100m
- Proven Management Team and Board

Issued Capital and Shareholding Base

- Issued Capital
 - 114.8m Ordinary Shares
 - 17.2m CRPS (9% Yield) (Buyback rights from Dec 13)
 - 1.4m Options over Ordinary Shares (@\$0.40)
 - 10.0m Employee Options
- Significant change in Register in last 9 months
 - Outside of Perich Group, more than 51% of register has traded since July 12

Rank	Name	28 Aug 13	%IC
1	PERICH GROUP	69,225,122	60.30%
2	RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED	6,788,026	5.91%
3	CITICORP NOMINEES PTY LIMITED	6,700,354	5.84%
4	UBS NOMINEES PTY LTD	5,769,363	5.03%
5	NATIONAL NOMINEES LIMITED	4,251,132	3.70%
6	MIRRABOOKA INVESTMENTS LIMITED	1,850,000	1.61%
7	BNP PARIBAS NOMS PTY LTD	1,479,723	1.29%
8	TELUNAPA PTY LTD	1,225,000	1.07%
9	UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	937,652	0.82%
10	MR STEPHEN FRANCIS HIGGS & MRS ROSEMARY JEAN HIGGS	859,024	0.75%

Appendices

FREEDOM FOODS GROUP LIMITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	Notes	Consolidated \$'000	
		2013	2012
Assets			
Current assets			
Cash and cash equivalents	7(a)	14,106	767
Trade and other receivables		19,076	17,746
Other financial assets		148	81
Inventories		14,886	13,144
Prepayments		918	644
Total Current Assets		49,134	32,382
Non-current assets			
Investments in associates		9,909	12,357
Deferred tax assets		1,146	2,035
Property, plant and equipment		45,162	35,619
Goodwill		5,214	5,214
Other intangible assets		16,274	16,274
Total non-current assets		77,705	71,499
Total assets		126,839	103,881
Liabilities			
Current liabilities			
Trade and other payables		15,847	15,196
Borrowings	4	14,282	19,001
Current tax liabilities		4,375	816
Loans payable to related parties	5	-	8,064
Other liabilities		472	-
Provisions		1,217	902
Total current liabilities		36,193	43,979
Non-current liabilities			
Trade and other payables		63	73
Borrowings	4	8,066	12,395
Provisions		122	164
Total non-current liabilities		8,251	12,632
Total liabilities		44,444	56,611
Net assets		82,395	47,270
Equity			
Capital and Reserves			
Equity attributable to owners of the company			
Issued capital		62,978	39,508
Reserves		(3,549)	(3,901)
Retained earnings		22,966	11,663
Total equity		82,395	47,270

Notes to the financial statements are included.

FREEDOM FOODS GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	Notes	Consolidated \$'000	
		2013	2012
Cash flows from operating activities			
Receipts from customers		87,480	55,926
Payments to suppliers and employees		(81,605)	(50,495)
Cash generated from operations		5,875	5,431
Interest and other costs of finance paid		(1,979)	(1,808)
Income tax (paid) / refund		(353)	(119)
Receipt of government grants		115	182
Net cash provided by operating activities	7(b)	3,658	3,686
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		-	18
Payment for property, plant and equipment		(5,880)	(5,144)
Investment in Equity Interest		(20)	(2,064)
Proceeds from sale of Equity shares		15,277	-
Net cash inflow on acquisition of subsidiary		-	168
Investment in PDG		(4,313)	-
Advance to Joint Venture		-	(1,438)
Net cash used in investing activities		5,064	(8,460)
Cash flows from financing activities			
Proceeds from issue of shares		24,109	211
Payment of share issue costs		(722)	(6)
Dividends paid		(2,327)	(1,020)
Proceeds from borrowings		4,201	7,511
Repayment of borrowings		(12,257)	(3,401)
Repayment of related party loan		(8,387)	-
Proceeds from related party loan		-	2,064
Net cash provided by financing activities		4,617	5,359
Net increase in cash and cash equivalents		767	585
Cash and cash equivalents at beginning of financial year		13,339	182
Cash and cash equivalents at end of financial year	7(a)	14,106	767

Appendices

Net tangible assets per security

	30 June 2013	30 June 2012
Net tangible assets (in thousands of AUD)	60,907	25,782
Net assets (in thousands of AUD)	82,395	47,270
Total number of ordinary shares (in thousands)	113,754	77,996
Total number of converting redeemable preference shares (in thousands)	17,219	19,415
Total number of shares (ordinary + CRPS)	130,973	97,411
Net assets per security (in dollars of AUD)	0.63	0.49
Net tangible assets per security (in dollars of AUD)	0.47	0.26

Segmented Reporting (FY 2013)

Business Segmental Reporting (FY 2013) \$A'000	Net Sales	EBDITA	EBDITA % NSV
Freedom Foods	40,070	6,124	15.3%
Specialty Seafood	15,788	2,717	17.2%
Sub Total Freedom Brands	55,858	8,841	15.8%
Pactum Australia	42,828	6,427	15.0%
Sub Total Business Contribution	98,686	15,268	15.5%
Group Services		-3,668	
Group Total EBDITA	98,686	11,600	11.8%

Note: Reported Net Sales includes internal Pactum Sales to Freedom Foods, which is deconsolidated under accounting standards

