

F.F.I. HOLDINGS LIMITED

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ASX ANNOUNCEMENT

EARNINGS UPDATE

In accordance with the ASX continuous disclosure reporting requirements, the Directors of FFI Holdings Limited (the “**Company**”) wish to provide the following profit guidance for the full year ended 30 June 2014.

FOOD OPERATIONS

During the year the Company incurred significant costs in the development, manufacture, marketing and distribution of a new range of sports nutritional retail products. The new line has not been successful and is likely to substantially affect the Company’s profits from food operations for the year ended 30 June 2014. Based on draft unaudited financial statements and various management reports, earnings from food operations are expected to be down approximately 28% compared with the previous corresponding year. The cost of the project will be brought fully to account in the 2014 year under review and is not expected to have any effect on the future earnings or growth opportunities of the Company. This decline in earnings from food operations is expected to be fully offset by an improvement in returns from the Company’s properties held for investment purposes.

PROPERTY INVESTMENTS

At this time the Directors have not finalised the valuations of the Company’s investment properties. An independent assessment of the properties’ values is currently being undertaken by a licensed valuer. Further details will be provided to the market on completion of the valuations with the release of the Company’s Preliminary Final Report.

The Directors expect, however, that the successful development and further subdivision of the investment properties that has been undertaken during the year is likely to result in a significant improvement in the values and profit contribution from this area. This increase in value is expected to exceed the pre tax contribution from property sales of \$885,274 that the Company reported in the previous year together with the expected decline in profits from food operations this year.

CONCLUSION

The Company is in a very strong financial position with low debts, solid cash flows, quality assets and experienced management. The decline in profit from food operations is not expected to affect future earnings and there are further long term opportunities to improve returns from the property investments. From this position the Company is well placed to meet the current challenges and achieve growth over the longer term.

The Company expects to release its Preliminary Final Report and dividend announcement on or around 29 August 2014.

Rodney Moonen

Chairman

11 August 2014