

Strategic Supply Agreement Pactum Dairy Group and New Hope Dairy

Freedom Foods Group Limited (ASX: FNP) and Pactum Dairy Group (PDG) today announced a strategic supply agreement between Shepparton based Pactum Dairy Group and China's New Hope Dairy.

Managing Director of Freedom Foods Mr Rory Macleod said: "We are pleased to announce the formal signing of a Strategic Supply Agreement for premium high quality dairy milk between Pactum Dairy Group and New Hope Dairy."

Pactum Dairy Group (PDG), a joint venture of Freedom Foods Group (ASX:FNP) and Australian Consolidated Milk (ACM) has recently commissioned a new \$45m UHT (Aseptic) dairy beverage facility in the northern Victorian city of Shepparton for manufacture of high value added dairy beverages for key customers in China and SE Asia.

The facility has initial capacity for 100m litres of dairy milk production, with capability to be increased up to 300m litres in the longer term.

Mr Macleod said: "Australia has a unique advantage in the supply and manufacture of high quality premium agriculture based foods. With increasing demand from markets in China and SE Asia for high quality value added product, Australia through companies such as Pactum, is well placed to play an important role in this supply chain."

New Hope Dairy is one of China's major dairy producers and part of the New Hope Group. It has a strong market presence in Western China, with its base in Chengdu. New Hope Dairy's products include fresh and long life milk, yogurt and infant formula. It sells these products under value-added brands, including Altiplano. New Hope Group is one of the largest Agribusiness companies in China as a major producer of meat, egg and dairy products. New Hope has existing interests in Australia through Kilcoy Pastoral, a beef processor in Queensland.

New Hope Dairy President, Mr Xi said "our agreement with PDG represents an opportunity to bring the best of Australia dairy milk to our customers. Australia dairy milk represents quality and safety to the Chinese consumer. Our objective is to build a portfolio of high quality Australian milk products sourced from PDG and marketed under our leading brands".

"We are pleased to work with New Hope as a leading dairy player in Western China, an area that is experiencing strong growth in urbanisation and resulting demand for high quality premium dairy products" Mr Macleod said. The relationship is complementary to our other China based strategic customer relationships. PDG will look to further build on its relationship with New Hope Dairy in the longer term as it expands its product and market presence.

Initial production for New Hope Dairy is scheduled for early in 2015.

For further information, please contact:

Rory J F Macleod
Managing Director

Freedom Foods Group Limited

Tel: +61 2 9526 2555

Rick Willis

M: +61 411 839 344

E: rick@networkfour.com.au