

ASX/media release

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SETTLEMENT OF CAFE2U ACQUISITION

On 28 August 2014, leading Australian retail food brand manager and franchisor, Retail Food Group Limited (RFG or the Company), announced its entry into a Share Purchase Agreement to acquire leading mobile and portable coffee franchise system Cafe2U.

Following satisfaction of all conditions precedent, settlement of the transaction was effected today.

RFG Chairman Colin Archer noted that the transaction positioned RFG as clear market leader within the Australian and New Zealand mobile coffee market with a combined Cafe2U and The Coffee Guy outlet population of 241 units, whilst also providing access to new markets in Great Britain, the USA and South Africa where a further 68 Cafe2U outlets presently operated.

"Cafe2U provides RFG with immediate scale within the Australian market, whilst also offering manufacturing and coffee roasting synergies that will assist in realising the enhanced roasting capacity afforded by the Company's recently commissioned second Australian roasting facility", he said.

In terms of the La Porchetta transaction, the Company advises that due diligence investigation is ongoing, and that it will keep the market informed of further developments.

About Retail Food Group Limited

RFG owns the Donut King, Brumby's Bakery, Michel's Patisserie, bb's café, Esquires, The Coffee Guy, Pizza Capers Gourmet Kitchen and Crust Gourmet Pizza franchise systems. In addition, the Company is a significant wholesale coffee roaster supplying existing Brand Systems and third party accounts under the Evolution Coffee Roasters Group, Caffe Coffee, Roasted Addigtion and Barista's Choice coffee brands.

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