



23rd April 2015

ASX Announcement

DAIRY CONSORTIUM AGREES TO ACQUIRE MOXEY FARMS

Freedom Foods Group Limited (ASX: FNP) announced today that The Australian Fresh Milk Holdings consortium (AFMH), comprising Leppington Pastoral Company Pty Limited (**LPC**), New Hope Dairy Holdings Co Ltd and Freedom Foods Group Limited (**Freedom Foods**) have entered into a Heads of Agreement to acquire Moxey Farms, one of Australia's largest single-site dairy operations (**Acquisition**) and in relation to the ongoing operation of the consortium.

Moxey Farms operates a fully integrated dairy farming operation located in the Lachlan Valley, New South Wales, 340 km west of Sydney. Moxey Farms land portfolio covers an area of 2,700 hectares and includes 3,700 milking cows that produce approximately 50 million litres of milk per year.

Under the terms of the Acquisition, the Moxey family would continue to operate Moxey Farms in joint venture with LPC under a new Farm Management Agreement with AFMH, ensuring continuity of existing operations for key customers and staff.

Upon completion of the Acquisition, the Moxey family would acquire a strategic stake in AFMH, which will have assets and operations across every aspect of the dairy value chain. The Heads of Agreement provides for the key terms which would apply in respect of the ownership and operation of AFMH following completion of the Acquisition.

General Manager of Moxey Farms Mr Quentin Moxey, said: "Our primary objective since the establishment of Moxey Farms has always been to deliver a world-class milk production platform. In early 2014 the business initiated a review of its operations with the aim of finding a strategic partner to assist with the next stage of growth. We are pleased to partner with AFMH on the development of Moxey Farms and the establishment of additional world class greenfield dairy farming operations in Australia".

The Acquisition would provide Freedom Foods with the opportunity to secure access to a consistent and long-term supply of high quality milk as AFMH explores expansion opportunities to further build on the acquisition of the Moxey operations.

The AFMH consortium arrangement and the Acquisition would provide Freedom Foods access to the highly regarded leadership and management team of the Moxey and Perich families. The consortium arrangement will also enable AFMH to leverage Freedom Foods' processing capabilities and New Hope Dairy's Asian footprint to readily access export markets such as China and South East Asia.

Following the completion of the Acquisition of Moxey Farms, AFMH would have in place a scalable operating platform to invest in additional greenfield dairy sites, enabling the consortium to become a significant player in the Australian dairy industry.

The principal terms of the Heads of Agreement for the Acquisition are non-binding and the Acquisition and consortium arrangements remain subject to the agreement of binding documentation, regulatory approvals and customary closing conditions.

For further information, please contact:

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