

21st October 2015

Company Announcements Office
ASX Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

Freedom Foods Group Limited
\$65 million Equity Raising Announcement

Equity Raising

Freedom Foods Group Limited (ASX:FNP) (**Freedom Foods**) is pleased to announce a \$65 million equity raising (**Equity Raising**) comprising of:

- a pro rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) of 4 fully paid ordinary shares in Freedom Foods (**New Shares**) for every existing 33 Freedom Foods share held as at 7:00pm (Sydney time) on Monday 26 October 2015 by eligible shareholders at an offer price of \$2.85 per New Share (**Offer Price**) to raise approximately \$53 million; and
- an institutional placement (**Placement**) of New Shares at an Offer Price of \$2.85 per New Share to raise approximately \$12 million.

The Offer Price represents a 2.5% discount to average share price of Freedom Foods over the past 30 days¹ (average price is for cum-dividend stock, but the stock being offered will not be entitled to the dividend paid on 30 November 2015)

All New Shares issued under the Equity Raising will rank equally in all respects with existing ordinary shares in Freedom Foods from the date of issue, except the New Shares will not be entitled to receive the dividend of \$0.015 per share in August 2015 ("ex date" of 29 October 2015 and payment date of 30 November 2015).

The Equity Raising is supported by cornerstone investor Arrovest Pty Limited (a Perich Group company) (**Arrovest**), which has committed to take up its full allocation under the Entitlement Offer. Arrovest will not participate in the Placement.

The Equity Raising will not be underwritten.

Use of Funds - Transaction Highlights

Funds raised from the Equity Raising will be used to fund Freedom Food's growth strategy including the following key initiatives:

¹ Note: based on average closing prices for 30 days to 20 October 2015.

Acquisition of Oat based Cereal and Snack manufacturer, Popina.

Oats is an expanding consumer preference in Australia and Asia. Popina has a 30 year operating history and is a recognised leader in cluster format Cereals and snacks in Australia, with operations based in Dandenong, Victoria. The acquisition will allow Freedom to have dual manufacturing capability in both allergen free and nut based capabilities and integration opportunities across its milling and ingredients operations. The acquisition for a consideration of approximately \$35 million is expected to be accretive to earnings in its first full year of operation and provide operational efficiencies in the medium term.

Construction of a new UHT processing Facility at Ingleburn

Existing non dairy UHT capabilities are constrained at Taren Point, restricting growth and financial returns. The new UHT facility at Ingleburn will be best in class, providing increased capacities to drive growth in key liquids categories with a resulting material improvement in cost base including processing operations and warehousing and logistics functions.

The capital raising will also provide the Company with additional balance sheet flexibility for future growth opportunities.

Sale of a2MC shares

Freedom Foods announces today that it has sold 42.5 million shares in The a2 Milk Company Limited (**a2MC**) at a price of NZ\$0.73 in an on-market trade, generating approximate net proceeds of A\$28 million.

The net proceeds will be invested into income producing assets consistent with Freedom Food's growth strategy.

Freedom Foods retains a holding of 75.2 million shares in a2MC shares, or 10.4% of total a2MC shares on issue post their recent placement and share purchase plan.

Freedom Foods current intention is to maintain a strategic stake in a2MC, while continuing to provide a2MC with production capabilities and milk supply through its group and associated entities

Further details of Entitlement Offer

The Entitlement Offer has two components:

- an institutional offer, to eligible institutional shareholders to apply for their pro-rata entitlement (**Institutional Entitlement Offer**); and
- a retail offer, to eligible retail shareholders to apply for their pro-rata entitlement (**Retail Entitlement Offer**).

The Entitlement Offer will be available to eligible shareholders on the register as at 7:00pm (Sydney time) on Monday 26 October 2015. The entitlements obtained under the Entitlement Offer are non-renounceable and will not be tradeable on the ASX or otherwise transferable.

Timetable

The anticipated timetable of key events in relation to the Entitlement Offer is as follows:

Announcement of Equity Raising	Wednesday 21 October 2015
Institutional Entitlement Offer and Placement opens	Wednesday 21 October 2015
Institutional Entitlement Offer and Placement closes	Wednesday 21 October 2015
Announce results of Placement and Institutional Entitlement Offer	Friday 23 October 2015
Record date for Entitlement Offer (7:00pm, Sydney time)	Monday 26 October 2015
Despatch of retail offer booklet and entitlement and acceptance forms to eligible retail shareholders	Wednesday 28 October 2015
Retail Entitlement Offer opens	Wednesday 28 October 2015
Placement and Institutional Entitlement Offer Settlement	Monday 2 November 2015
Allotment and quotation of New Shares issued under the Placement and Institutional Entitlement Offer	Tuesday 3 November 2015
Retail Entitlement Offer closes	Monday 9 November 2015
Issue of New Shares under the Retail Entitlement Offer	Monday 16 November 2015
New Shares under the Retail Entitlement Offer commence trading	Tuesday 17 November 2015

These dates, along with any other dates noted in this announcement, are indicative and subject to change. All dates and times refer to Sydney, Australia time. Freedom Foods reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), the ASX listing Rules and other applicable laws. In particular, Freedom Foods reserves the right to extend the closing date of the Retail Entitlement Offer, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases), and to withdraw the Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares. The commencement of quotation and trading of New Shares is subject to confirmation from the ASX.

Shareholder Enquiries

An offer booklet, including a personalised entitlement and acceptance form which will provide further details of how to participate in the Retail Entitlement Offer will be sent to eligible retail shareholders on or about Wednesday 28 October 2015. Those shareholders which Freedom Foods determines to be ineligible shareholders will also be notified by Freedom Foods.

For further information in relation to the Equity Raising, shareholders are advised to refer to the Investor Presentation released to the ASX on 21 October 2015.

[For other enquiries, please contact the Freedom Foods Offer Information Line on 1300 761 372 (within Australia) and +61 1300 761 372 (outside Australia), 8.30 am to 5.30 pm Monday to Friday, Sydney time.

For further information, please contact:

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