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17 August 2009

Announcements Officer
Company Announcements Office
Australian Stock Exchange Limited
South Tower, Rialto
525 Collins Street
MELBOURNE VIC 3000

Dear Sir/Madam

Relocation of Frozen Fruit Operations

Please refer to the attached regarding the relocation of the frozen fruit operations of Creative Gourmet and Chef's Pride from Silverwater, New South Wales.

Yours faithfully

PHILIP THOMAS
Company Secretary

For further information contact:
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Frozen Fruit Operations Relocation

Patties Foods announces that it will be relocating the frozen fruit operations of Creative Gourmet and Chef's Pride from Silverwater NSW to the company's main production facility in Bairnsdale Victoria.

Patties has implemented a number of initiatives across the company including improvements in the Bairnsdale bakery over the last year to improve the operating efficiency of the business and deliver quality product to our customers. The decision to close the Silverwater facility follows a strategic review of the Creative Gourmet and Chef's Pride business, which was acquired in May 2007, and after careful consideration of how to optimise the long term performance of the business.

The move will create operational efficiencies in distribution, manufacturing and overheads and benefits for customers including increased capability for new product development, and additional procurement sources. We expect the relocation to result in a one-off restructuring charge of \$1.3m and ongoing cost savings of \$750,000 pa.

The Silverwater plant is scheduled to close in January 2010.

Patties Foods Managing Director, Greg Bourke said:

"closing a production site is never an easy decision, but this move makes a lot of commercial sense and will provide an improved cost platform to grow the business.

The Chef's Pride and Creative Gourmet businesses will benefit further from being based in the production heart of the Patties' business in Bairnsdale.

The company is working closely with effected staff to ease the impact of this move."

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