



Freedom Foods Group Limited
ABN 41 002 814 235
80 Box Road
Taren Point NSW 2229

5 November 2011

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

**Freedom Foods Group Limited
Convertible Preference Share Issue -Offer Information Statement**

Diversified health and wellbeing branded food manufacturer, Freedom Foods Group Limited (ASX Code: FNP) has today lodged an Offer Information Statement (OIS) with the Australian Securities and Investments Commission (ASIC) in relation to a non-renounceable pro rata entitlement offer of 24,198,557 convertible redeemable preference shares to raise up to approximately \$7.2 million.

Each holder of ordinary shares will be entitled to apply for 1 convertible redeemable preference share for every 3.2 ordinary shares it holds, at a price of \$0.30. The convertible redeemable preference shares will be unlisted, perpetual with no maturity date and carry a right to a preferred dividend yield of 9% fully franked on the issue price of \$0.30.

In addition, each convertible redeemable preference share will have a 3-year option over ordinary shares with an exercise price of \$0.40 attached.

The proceeds of the convertible redeemable preference share offer will be used to fund working capital for the Company's Freedom Foods business and to provide balance sheet flexibility for other growth initiatives, including potential additional investment in A2 Corporation Limited, in which FNP holds a 25% strategic shareholding.

The Offer is not underwritten, however, the major shareholder in FNP, Arrovest Pty Limited, has indicated that it intends to subscribe for its full entitlement pursuant to the Offer. Where ordinary shareholders do not take up their entitlements, the Board reserves the power to issue the shortfall securities pursuant to the exception in ASX Listing Rule 7.2 item 3.

The record date for determining entitlements to the convertible redeemable preference share offer will be 16th November 2010, with the Offer closing on 1 December 2010.

Yours Sincerely

**Rory J F Macleod
Executive Director
Freedom Foods Group Limited**