

4th April 2012

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

**Freedom Foods Group Limited
A2 Corporation Limited – Update on Sydney Milk Processing Facility**

Freedom Foods Group Limited (ASX:FNP) notes A2 Corporation Limited (NZX: A2C) announcement today that A2C's new milk processing facility in Sydney has been commissioned as planned and is supporting the increased demand for a2™ brand milk products.

A2C in its announcement noted that it has experienced continued growth of a2™ brand fresh milk in Australia in response to increased customer awareness and ongoing marketing activity. Its monthly sales track has continued to climb in the most recent quarter ended 31 March 2012 and the new processing facility at Smeaton Grange in South West Sydney provides surety of supply and will enhance the A2C's financial returns as the business continues to grow.

A2C reiterated that it continues to be focused on its three core growth initiatives: building the beverages business in Australasia; capturing niche shares in global milk markets, including the UK launch of a2™ brand fresh milk in September with Robert Wiseman Dairies; and developing infant formula and other products in highly prospective markets."

FNP is the largest single shareholder in A2C with a fully diluted shareholding of 25.8%.

A2C is listed on the alternative market (NZAX) of the New Zealand Stock Exchange (NZX: ATM), with a current market capitalisation of NZ\$229 million (A\$182 million), implying a value for FNP's 25.8% (fully diluted) investment of approximately A\$47m, materially above its book value of approximately A\$11.7 million and in excess of FNP's current market capitalisation.

For further information, please contact:

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Appendices

A2C Announcement



**NZAX and media release
4 April 2012**

Sydney Milk Processing Facility Operational

A2 Corporation Limited (A2C, the Company) is pleased to advise its new milk processing facility in Sydney has been commissioned as planned and is supporting the increased demand for a2™ brand milk products.

Managing Director Geoffrey Babidge said: “The Company has experienced continued growth of a2™ brand fresh milk in Australia in response to increased customer awareness and ongoing marketing activity.”

“The monthly sales track has continued to climb in the most recent quarter ended 31 March 2012 and this new facility at Smeaton Grange in South West Sydney provides surety of supply and will enhance the Company’s financial returns as the business continues to grow.”

The state of the art fresh milk processing facility is designed to deliver consistent high quality product and is sized to efficiently process current requirements for New South Wales with the capability to cater for significant volume growth over time. The output from contract processors will be focused into other regions of Australia.

The capital cost associated with plant and equipment for the new facility is consistent with the most recent estimate (AUD8.4 million) and is being funded from a prior capital raising and an asset finance facility. The factory building itself is subject to a long term lease with options to acquire.

“The commissioning of Smeaton Grange represents a further significant milestone for A2C” Geoffrey Babidge said. “The Company continues to be focused on its three core growth initiatives: building the beverages business in Australasia; capturing niche shares in global milk markets, including the UK launch of a2™ brand fresh milk in September with Robert Wiseman Dairies; and developing infant formula and other products in highly prospective markets.”

For further information contact:

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