Freedom Foods Group Limited

Extraordinary General Meeting
Executive Directors Presentation

26th April 2012

Confidential

Rory Macleod

Evolution of the PACTUM AUSTRALIA Business

Pactum Business

Contract manufacture of UHT beverages for private label and proprietary customers

- 2005
  - Formation of Pactum (formerly CBPA) as a 50/50 JV between FFG and Perich Group
- 2005 – 2011
  - Capital Investment in process equipment, factory upgrades to improve efficiency and lower cost (approx. $5.7m)
  - New Management team developed
  - Customer development and product portfolio growth
  - 2011 – operating at capacity on current 1 Litre volume

Why UHT Contract Manufacture

- Increasing demand for UHT (long shelf life) Products, particularly for Private Label in both Australia and Asia
  - categories such as dairy, cooking, nutrition, dairy alternatives

- Rationalisation of Industry capacity over the last 10 years has reduced number of players.

- Pactum is the only truly independent UHT contract manufacturer

- Significant Barriers to Entry
  - UHT manufacture is a specialised process
  - Building UHT capacity without existing volume and infrastructure is high risk, given capital cost of entry

Current Performance

- The Pactum business has performed to plan during FY 12 delivering a strong sales and business contribution (end March Quarter)

- The business continues to reduce its reliance on lower margin commodity products with an increasing mix of sales of value added UHT products including dairy alternative beverages for Freedom Foods

- With planned capacity expansion, Pactum is well positioned as the only independent low cost manufacturer of a broad range of UHT products on east coast of Australia, with capability to meet the increasing demands from its private label and proprietary customer base.

Growth

- As part of its long term growth strategy, Pactum is expanding packaging capability at its Southern Sydney site to provide portion pack UHT (200-330ml configuration) for value added beverages
- Investment cost of approximately $7m, with scheduled completion by September 2012.
- Pactum also continues to investigate opportunities to support Asian market demand for dairy milk in long life product formats and expects to announce further developments shortly.

Impact of Acquisition on FFG

- Provide for full consolidation of the financial results and access to 100% of the cashflows of Pactum
- Participate in potential sales and earnings growth opportunities provided by the expansion of Pactum's packaging capabilities at its southern Sydney site from late 2012
- Simplify the Group's reporting and corporate structure
- The transaction is expected to be earnings accretive in its first year of full ownership in FY 2013
- A business that provides a significant strategic growth opportunity for the Company as well as providing synergies in servicing common customers and materials purchasing with the Company's Freedom Foods business.

Consideration for Shares

- Net payment for 50% equity of approximately $6,000,000
- Payment is after adjustment for the FFG's 50% share of the net equity in the Properties to be transferred to Arrovest on Completion
- Following completion, FFG will have an approximate investment cost in Pactum of $8.2 million which on a total enterprise basis as at 30 June 2011, equates to an historical EBDITA multiple of 3.8x (based on FY 2011 audited EBDITA adjusted for property rent and management fees).
- **The Independent Expert has determined that the transaction is fair and reasonable to non aligned shareholders**

Questions

Freedom Foods Group – Business Activities

Unique business platforms in specialised areas of the food market

Freedom Foods – 100% Owned

- Leader in Free From Foods

Specialty Seafood 100% Owned

- Specialty Canned Seafood

Pactum Australia – 50% Joint Venture

- Long Life Beverage Contract Manufacture

A2 Corporation – 26% Strategic Investment

- A2 Dairy Milk in Australia and International Markets