



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

4th September 2012

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

A2 Corporation Release of Full Year 2012 Results

Freedom Foods Group Limited (ASX:FNP) today noted that A2 Corporation (NZX: ATM) has released its Full Year Profit results for the Financial Year ended 30 June 2012.

FNP is the largest single shareholder in A2 Corporation with a shareholding of 25.8%.

Key highlights from the results included:

- Group Profit After Tax of \$4.40 million for 2012 year, up 108 per cent over the prior year
- Increased market share in Australia, sales up 48 per cent over the prior year
- UK fresh milk launch scheduled for October 2012
- Production of a2™ branded infant formula to begin from December 2012

A copy of the A2C announcement is included as an appendix.

A2C is listed on the alternative market (NZAX) of the New Zealand Stock Exchange (NZX: ATM), with a current market capitalisation of approximately NZ\$272 million (A\$212 million) implying a value for FNP's 25.8% investment of around A\$55 million (\$0.71 cents per FNP ordinary share), materially above the book value of approximately A\$12.3 million and in excess of FNP's current market capitalisation of A\$51m.

For further information, please contact:

Rory J F Macleod
Managing Director

Freedom Foods Group Limited

Tel: +61 2 9526 2555

Attachments
A2 Corporation Full Year 2012 Financial Results

Full and Half Year Preliminary Announcements and Half Year Results

In accordance with Clauses 1.2 and 2.2. of Appendix 1 of the NZSX & NZDX Listing Rules, the following information is prescribed by NZX to be included in announcements made under Appendix 1.

- 1 **Full and Half Year Results:** The following is the information prescribed pursuant to clauses 1.2 and 2.2 of Appendix 1 of the NZSX and NZDX Listing Rules to appear identified as “**Results for announcement to the market**” and placed at the beginning of the preliminary report (full and half year) in a tabular format.
 - a. The amount and percentage change up or down from the previous corresponding period of revenue from ordinary activities.
 - b. The amount and percentage change up or down from the previous corresponding period of profit (loss) from ordinary activities after tax attributable to security holders.
 - c. The amount and percentage change up or down from the previous corresponding period of net profit (loss) for the period attributable to security holders.
 - d. The amount per security and imputed amount per security of final and interim dividends or a statement that it is not proposed to pay dividends.
 - e. The record date for determining entitlements to and the date for payment of the dividends (if any).
 - f. A brief explanation of any of the figures in a.- e. necessary to enable the figures to be understood.

- 2 **Format:** The information required by paragraph 1 above should as close as possible be presented in the following tabular format:

A2 Corporation Limited	
Results for announcement to the market	
Reporting Period	12 months to 30 June 2012
Previous Reporting Period	12 months to 30 June 2011

	Amount (000s)	Percentage change
Revenue from ordinary activities	\$NZ 64,224	50.7%
Profit (loss) from ordinary activities after tax attributable to security holder.	\$NZ 4,405	108.2%
Net profit (loss) attributable to security holders.	\$NZ 4,405	108.2%

Interim/Final Dividend	Amount per security	Imputed amount per security
N/A	N/A	N/A

Record Date	N/A
Dividend Payment Date	N/A

Comments:	See attached announcement
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4 September 2012

Strong demand doubles A2 Corporation Net Profit

Highlights

- Group Profit After Tax of \$4.40 million for 2012 year, up 108 per cent over the prior year
- Increased market share in Australia, sales up 48 per cent over the prior year
- UK fresh milk launch scheduled for October 2012
- Production of a2™ branded infant formula to begin from December 2012

Consumer demand for the a2™ brand fresh milk proposition has delivered A2 Corporation Limited another year of strong growth.

Revenues grew 48 per cent over the previous financial year driven primarily by the growing preference of Australian consumers for a2™ brand milk – dairy milk without the A1 gene that has been linked with digestion and health issues.

Managing Director Geoffrey Babidge says the company's strong trading performance in Australia was very encouraging and is providing a platform for the strategic initiatives being progressed in a number of global markets.

"The Board is extremely pleased with the performance of the Company in the past year. We have demonstrated continued market leading growth supported by increasing consumer awareness of the differentiated and unique brand proposition."

"Our strategic growth agenda seeks to build sustainable advantage by drawing on the increasing credibility of the a2™ brand proposition and prioritising markets that have characteristics which support premium dairy product offerings. We continue to make excellent progress in this regard, evidenced by our forthcoming launch in the UK and anticipated entry into infant formula in China, and demonstrates the significant future potential of the business."

For the 12 months ended 30 June 2012, A2C achieved a Group Profit after Tax of \$4,405,000. This compares to a Profit of \$2,116,000 for the 12 months ended 30 June 2011. Preliminary audit clearance has been obtained for these results pending finalisation of the 2012 annual report.

The trading result comprised the following key items:

- Sales of \$62,458,000, representing an increase of 48% over the prior year;
- EBITDA before share of associate earnings and unusual items of \$4,737,000, an increase of 77% over the prior year;
- Proceeds on settlement of an outstanding legal dispute in Korea of \$1,101,000 net of costs;
- Share of associate earnings for A2 Milk (UK) Limited of (\$743,000);
- Costs associated with a Group Strategic Review of \$522,000;

- International Business Development expenses of \$870,000;
- Non-cash Expenses relating to share based incentive schemes of \$251,000;
- Income tax credit of \$287,000, due to a one-off tax benefit from the reset of the tax cost base of assets.

The balance sheet movement over the year reflected positive operating cash flows in Australia, proceeds from share placements and the legal settlement, funding of capital expenditure and our joint venture investment. Cash on hand at 30 June 2012 was \$6,568,000. The Company maintains a prudent view of having little or no net debt whilst in a rapid expansion phase.

Strategic Agenda

The Company continued to rapidly progress the strategic agenda focused on 3 core growth initiatives:

- Building the beverage business in Australia and New Zealand;
- Capturing niche shares in global milk and other dairy product markets;
- Developing an Infant Formula business in highly prospective markets with an initial focus on China.

In April 2012, the Company announced a Strategic Review lead by corporate advisors Greenhill Caliburn and Clavell Capital to review the company's options to accelerate growth and maximise shareholder value. This review is ongoing and is providing valuable assistance to our growth agenda.

Operational Review **Australia and New Zealand**

The Australian business performance was a standout for 2012 with operational profit well ahead of budget and the prior year.

a2[™] sales grew strongly and represented an increase on the prior year of 48%. The company continued to increase its investment in marketing and communication including the introduction of a new "Thank-you a2" media campaign, effective public relations and social media initiatives and increased activity with the health care professional community.

We estimate the market share of a2[™] brand milk by value in the grocery channel in the last quarter of the 2012 year to approximate 5.8%. The overall fresh milk category in Australia has continued to be impacted by the low retail pricing of generic milks which took effect in early calendar 2011.

The Company commissioned its new milk processing facility in south west Sydney in late February 2012 and is now producing to expected levels of outputs. The new facility incorporates the most advanced proven dairy processing technologies to achieve the highest quality of fresh milk and is sized to efficiently process current requirements for New South Wales with the capability for significant growth over time. The capital cost of plant and equipment approximates AUD 8.4 million. A2C continues to source the balance of its milk requirements from its contract processing partners.

Gross Margin as a percentage of sales was lower in the second half and for the year when compared to 2011. This was due to additional milk procurement costs to meet rapidly increasing demand, a number of one off costs incurred to bring the new processing facility on stream and a change in customer mix.

The Company has progressed discussions with Fresha Valley, the sole licensee for a2[™] brand milk in New Zealand, on how best to further develop a2[™] brand milk within New Zealand.

United Kingdom and Ireland

In November 2011, the Company announced the expansion of operations in the UK and Ireland through a sales and marketing joint venture with the leading fresh milk dairy company in Britain, Robert Wiseman Dairies (RWD). The joint venture is engaged in the sourcing, processing, marketing and distribution of a2™ brand milk products on an exclusive basis in the UK and Ireland.

The UK fresh milk market is approximately 6.5 billion litres per annum and the market opportunity for a2™ brand fresh milk has the potential to be three fold that of Australia.

RWD was founded in 1947 and operates six state of the art processing dairies, 14 distribution depots and distributes around one third of fresh milk consumed in Britain. In February 2012, RWD was acquired by the highly regarded European dairy group, Unternehmensgruppe Theo Müller Group.

A2C is very pleased with the progress of the joint venture since formation. Over the period the joint venture has established its core management team, commenced herd testing and selected initial suppliers. RWD is a valued partner with a commitment to providing all the resources required to support the development of the business.

We originally targeted the brand launch from September 2012 with the plan now to commence from October 2012. A2C's share of joint venture costs incurred in the establishment phase to June 2012 totalled \$743,000.

For some time the UK milk market (and many other western dairy markets) has been experiencing challenges around declining returns to farmers, processors and retailers. The a2™ brand proposition provides an opportunity to bring tangible benefits to all participants in the supply chain in addition to consumers.

International Business Development

During the year, the Company progressed discussions with a number of participants in key markets considered attractive for a2™ brand beverages.

The Company has continued to make significant progress in developing a market entry strategy for a2™ brand infant formula into Asia, with China a priority. In April 2012 the Company announced a strategic agreement with Synlait Milk Limited (Synlait) in New Zealand to manufacture a2™ brand nutritional powders (including milk powders and infant formulas) for A2C. Under the agreement Synlait will source a2™ milk from accredited Canterbury dairy farms and manufacture a2™ brand nutritional powders at its facility in Dunsandel. The Company has been assessing alternatives for the associated sale and distribution of a2™ brand infant formula in China and is advanced in the development of a business plan and selection of a credentialed distribution partner.

In September 2011, the Company settled its long running dispute with a former licensee in the Republic of Korea with settlement of \$1.101 million (net of costs incurred in the current year). A2C is pleased to have resolved this legacy issue which will assist our growth plans and supports the strength of our intellectual property in the Asian region.

Equity raisings

The Company undertook two equity raisings during the year to support the ongoing development of the business and to broaden the institutional shareholder base.

In July 2011, Freedom Foods Group Limited (FFG) was issued 18.8 million ordinary shares for total cash consideration of \$2.7 million pursuant to an option under the sale and purchase agreement for A2 Dairy Products Australia Pty Ltd.

In March 2012, the Company made a placement of 14 million ordinary shares to AMP Capital Investors (New Zealand) Limited (AMP Capital) to raise an amount of new equity of \$5.2 million. AMP Capital assisted the Company by facilitating the sale of a block of A2C shares to a number of institutions on terms identical to the placement by the Company to AMP Capital, and we thank them for their assistance.

For further information contact:

Geoffrey Babidge

Managing Director

A2 Corporation Limited

+61 2 9697 7008

PRELIMINARY FULL YEAR REPORT ANNOUNCEMENT

A2 CORPORATION LIMITED For the year ended 30 June 2012

Preliminary full year (12 month) report on consolidated results (including the results for the previous corresponding full year) in accordance with Listing Rule 10.4.2.

This report has been prepared in a manner which complies with generally accepted accounting practice and gives a true and fair view of the matters to which the report relates and is based on unaudited financial statements.

The audit of the 2012 Annual Report is currently in progress.

Prior year figures have been updated to reflect the reported audited position as at 30 June 2011

The Listed Issuer has a formally constituted Audit Committee of the Board of Directors.

[PLEASE REFER TO ATTACHED NOTES WHEN COMPLETING THIS FORM]

		*Consolidated Statement Financial Performance		
1	CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE	Current Full Year \$NZ'000	*Up/Down %	Previous corresponding Full Year \$NZ'000
1.1	OPERATING REVENUE			
	(a) Trading Revenue	62,458	48.0%	42,206
	(b) Other Revenue	1,766	343.7%	398
	(c) Total Operating Revenue	64,224	50.7%	42,604
1.2	OPERATING *SURPLUS (DEFICIT) BEFORE TAXATION	4,118	44.1%	2,858
	(a) Less taxation on operating result	(287)	(138.7%)	742
1.3	OPERATING *SURPLUS (DEFICIT) AFTER TAX	4,405	108.2%	2,116
	(a) Extraordinary Items after Tax [detail in Item 3]	nil		nil
	(b) Unrealised net change in value of investment properties	nil		nil
1.4	NET *SURPLUS (DEFICIT) FOR THE YEAR	4,405	108.2%	2,116
	(a) Net *Surplus (Deficit) attributable to minority interests	nil		nil
1.5	NET SURPLUS (DEFICIT) ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER	4,405	108.2%	2,116

		*Consolidated Statement of Financial Performance	
2	DETAILS OF SPECIFIC RECEIPTS/OUTLAYS, REVENUES/ EXPENSES FOR FULL YEAR	Current Full Year \$NZ'000	Previous corresponding Full Year \$NZ'000
2.1	INCLUDED IN CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE		
	(a) Interest revenue included in Item 1.1(b)	177	214
	(b) # Unusual items for separate disclosure (gain/loss) (detail - Item 3)	579	(63)
	(c) Equity earnings (gain/loss) (detail - Item 16)	(743)	134
	(d) Interest expense included in Item 1.2 (include all forms of interest, etc)	(199)	(121)
	(e) Leasing and renting expenses	(175)	(161)
	(f) Depreciation	(374)	(51)
	(g) Diminution in the value of assets (other than depreciation)	nil	nil
	(h) Amortisation of goodwill	nil	nil
	(i) Amortisation of other intangible assets	(59)	nil
	(j) Impairment of goodwill	nil	nil
	(k) Impairment of other intangible assets	nil	nil

2.2 SUPPLEMENTARY ITEMS

- (a) # Interest costs excluded from Item 2.1(d) and capitalised
- (b) # Outlays (other than those arising from the acquisition of an existing business) capitalised in intangibles
- (c) Unrecognised differences between the carrying value and market value of publicly traded investments

#Items marked in this way need to be shown only there their inclusion as revenue or exclusion from expenses has had a material effect on reported *surplus (deficit)

Consolidated Statement of Financial Performance	
Current Full Year \$NZ'000	Previous corresponding Full Year \$NZ'000
32	nil
878	223
nil	nil

3 DISCONTINUED, UNUSUAL (INCLUDING NON RECURRING), AND EXTRAORDINARY ITEMS OF THE GROUP

Group - Current Full Year

DETAILS AND COMMENTS

TOTAL DISCONTINUED ACTIVITIES

Material Unusual (including Non Recurring) Items (included in 1.2)

Description:

Net settlement proceeds from a former licensee

Settlement proceeds

Less expenses incurred

Costs associated with group strategic review

Due diligence costs regarding A2DP investment

TOTAL MATERIAL NON RECURRING ITEMS

Extraordinary Items (Ref. Item 1.3(a))

Description:

TOTAL EXTRAORDINARY ITEMS

Operating Revenue \$NZ'000	Operating Surplus \$NZ'000
nil	nil
nil	nil
1,429	nil
(328)	nil
(522)	nil
nil	63
579	63
nil	nil

Statement of Movements In Equity

4 STATEMENT OF MOVEMENTS IN EQUITY

4.1 *NET SURPLUS (DEFICIT) ATTRIBUTABLE TO MEMBERS OF LISTED ISSUER

- (a) *Net Surplus (Deficit) attributable to minority interest

4.2 OTHER RECOGNISED REVENUE AND EXPENSES

- (a) *Increases (decreases) in revaluation reserves
- (b) Current Translation Differences
- (c) Minority interest in other recognised revenue and expenses

4.3 TOTAL RECOGNISED REVENUES AND EXPENSES

4.4 OTHER MOVEMENTS

- (a) Contributions by Owners
- (b) Distributions to Owners
- (c) Other

4.5 EQUITY AT BEGINNING OF FULL YEAR*

4.6 EQUITY AT END OF FULL YEAR

Current Full Year \$NZ'000	Previous corresponding Full Year \$NZ'000
4,405	2,116
nil	nil
nil	nil
(182)	421
nil	nil
4,223	2,537
7,691	15,108
nil	nil
251	271
25,183	7,267
37,348	25,183

5 EARNINGS PER SECURITY		Earnings Per Security	
		Current Full Year \$NZ'000	Previous corresponding Full Year \$NZ'000
Calculation of basic and fully diluted, EPS in accordance with IAS33: Earnings Per Share			
(a) Basic EPS		0.74	0.40
(b) Diluted EPS (if materially different from (a))		0.74	0.40

6 MATERIAL ACQUISITIONS OF SUBSIDIARIES (See Note (VII) attached):	
(a) Name of subsidiary or group of subsidiaries	
(b) Percentage of ownership acquired	n/a
(c) Contribution to consolidated net *Surplus (Deficit) (Item 1.4)	
(d) Date from which such contribution has been calculated	
(a) Name of subsidiary or group of subsidiaries	n/a
(b) Percentage of ownership acquired	
(c) Contribution to consolidated net *Surplus (Deficit) (Item 1.4)	
(d) Date from which such contribution has been calculated	

7 MATERIAL DISPOSALS OF SUBSIDIARIES (See Note (VII) attached)	
(a) Name of subsidiary or group of subsidiaries	n/a
(b) Contribution to consolidated net *Surplus (Deficit) (Item 1.4)	n/a
(c) Date from which such contribution has been calculated	n/a
(d) Contribution to consolidated net *Surplus (Deficit) (Item 1.4) for the previous corresponding half year/full year	n/a
(e) Contribution to consolidated net *Surplus (Deficit) (Item 1.4) from sale of subsidiary	n/a

8 REPORTS FOR INDUSTRY AND GEOGRAPHICAL SEGMENTS

Information on the industry and geographical segments of the Listed Issuer is to be reported for the *full year in accordance with the provisions of SSAP:23: Financial Reporting for Segments. Because of the differing nature and extent of segments among Listed Issuers, no complete proforma is provided, and the segment information should be completed separately and attached to this report. However, the following shows a suitable list of items for presentation and indicates which amounts should agree with items included elsewhere in the *full year report:

SEGMENTS

Industry

- Operating revenue:
 - * Sales to customers outside the group
 - * Intersegment sales
 - * Unallocated revenue
- Total revenue [consolidated total equal to Item 1.1(c) above]
- Segment result
- Unallocated expenses
- Operating surplus (Deficit) after tax (Item 1.3)
- Segment assets
- Unallocated assets
- Total assets (Equal to Item 9.3)

Geographical

-----please refer to attachment-----

- Operating revenue:
 - * Sales to customers outside the group
 - * Intersegment sales
 - * Unallocated revenue
- Total revenue [consolidated total equal to Item 1.1(c) above]
- Segment result
- Unallocated expenses
- Operating surplus (Deficit) after tax (Item 1.3)
- Segment assets
- Unallocated assets
- Total assets (Equal to Item 9.3)

Consolidated Statement of Financial Position			
(Note (VIII)) attached has particular relevance for the preparation			
9 CURRENT ASSETS:	At end of current Full Year \$NZ'000	As shown in last Annual Report \$NZ'000	If half yearly as shown in last half yearly report \$NZ'000
(a) Cash	6,568	7,467	5,484
(b) Trade receivables	17,189	10,967	13,225
(c) Investments	nil	nil	nil
(d) Inventories	677	425	295
(e) Other assets, current	481	1,032	759
TOTAL CURRENT ASSETS	24,915	19,891	19,763
9.1 NON-CURRENT ASSETS			
(a) Trade receivables	nil	nil	nil
(b) Investments	1,582	nil	2,246
(c) Inventories	nil	nil	nil
(d) Property, plant and equipment	10,991	2,305	8,718
(e) Goodwill	10,055	10,167	10,339
(f) Other Intangible Assets	1,037	223	518
(g) Other assets, non current	6	nil	nil
(h) Deferred Taxation Assets	1,086	143	53
9.2 TOTAL NON-CURRENT ASSETS	24,757	12,838	21,874
9.3 TOTAL ASSETS	49,672	32,729	41,637
9.4 CURRENT LIABILITIES			
(a) Trade Creditors	3,916	3,595	3,752
(b) Income in advance, current	nil	nil	nil
(c) Secured loans	4,414	621	4,570
(d) Unsecured loans	nil	nil	nil
(e) Provisions, current	3,309	2,443	1,688
(f) Income Tax Liability	638	832	335
(g) Other liabilities, current	11	8	nil
TOTAL CURRENT LIABILITIES	12,288	7,499	10,345
9.5 NON-CURRENT LIABILITIES			
(a) Accounts payable, non-current	nil	nil	nil
(b) Secured loans	nil	nil	nil
(c) Unsecured loans	nil	nil	nil
(d) Provisions, non-current	nil	nil	nil
(e) Deferred Taxation Liability, non-current	nil	nil	nil
(f) Other liabilities, non-current	36	47	48
9.6 TOTAL NON-CURRENT LIABILITIES	36	47	48
9.7 TOTAL LIABILITIES	12,324	7,546	10,393
9.8 NET ASSETS	37,348	25,183	31,244
9.8(a) NET TANGIBLE ASSETS	26,256	14,793	20,387
9.9 SHAREHOLDERS' EQUITY			
(a) Share capital (optional)	63,754	56,063	58,622
(b) Reserves (optional) (i) Revaluation reserve	nil	nil	nil
(ii) Other reserves	1,698	1,629	2,029
(c) Retained Surplus (accumulated Deficit) (optional)	(28,104)	(32,509)	(29,407)
9.10 SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER	37,348	25,183	31,244
(a) Minority equity interests in subsidiaries	nil	nil	nil
9.1 TOTAL SHAREHOLDERS' EQUITY	37,348	25,183	31,244
(a) Returns on Assets (%) (EBIT divided by Total Assets)	8.7%	9.1%	8.0%
(b) Return on Equity (%) (Net Income divided by Shareholders' Equity)	11.8%	8.4%	9.9%
(c) Debt to Equity Ratio (%) (Total Liabilities divided by Shareholders' Equity)	33.0%	30.0%	33.3%

(See Note (IX) attached)		Consolidated Statement of cashflows for *full year	
10.0 CASH FLOWS RELATING TO OPERATING ACTIVITIES		Current Full Year \$NZ'000	Corresponding Full Year \$NZ'000
(a) Receipts from customers		56,948	39,970
(b) Interest received		177	234
(c) Dividends received		nil	nil
(d) Payments to suppliers and employees		(57,663)	(38,571)
(e) Interest paid		(199)	(121)
(f) Income taxes paid/refunds received		(755)	(172)
(g) Other cash flows relating to operating activities		1,580	99
NET OPERATING FLOWS		88	1,439

(See Note (IX) attached)			
11.0 CASH FLOWS RELATING TO INVESTING ACTIVITIES			
(a) Cash proceeds from sale of property, plant and equipment		nil	11
(b) Cash proceeds from sale of equity investments		nil	nil
(c) Loans repaid by other entities		nil	nil
(d) Cash paid for purchases of property, plant and equipment		(9,253)	(2,078)
(e) Interest paid - capitalised		nil	nil
(f) Cash paid for purchases of equity investments		nil	nil
(g) Loans to other entities		nil	(49)
(h) Acquisition of subsidiaries		nil	32
(i) Investment in intangible assets		(878)	(223)
(j) Investment in associates		(2,301)	nil
(k) Other cash flows relating to investing activities		nil	nil
NET INVESTING CASH FLOWS		(12,432)	(2,307)

(See Note (IX) attached)			
12.0 CASH FLOWS RELATED TO FINANCING ACTIVITIES			
(a) Cash proceeds from issue of shares, options, etc.		7,691	4,058
(b) Borrowings		3,793	621
(c) Repayment of borrowings		nil	nil
(d) Dividends paid		nil	nil
(e) Other cash flows relating to financing activities		(9)	nil
(h) Acquisition of subsidiaries		nil	(1,608)
NET FINANCING CASH FLOWS		11,475	3,071

(See Note (IX) attached)			
13.0 NET INCREASE (DECREASE IN CASH HELD)			
(a) Cash at beginning of *full year		7,467	5,215
(b) Exchange rate adjustments to Item 12.3(a) above		(30)	49
(c) CASH AT END OF *FULL YEAR		6,568	7,467

14.0 NON-CASH FINANCING AND INVESTING ACTIVITIES	
Provide details of financing and investing transactions which have had a material effect on group assets and liabilities but did not involve cash flows:	

15.0 RECONCILIATION OF CASH			
For the purposes of the above Statement of cash flows, cash includes:		Current Full Year NZ\$'000	Previous Corresponding Full Year NZ\$'000

Cash at the end of the *half year/full year as shown in the statement of cash flows is reconciled to the related items in the financial statements as follows:			
Cash on hand and at bank		1,852	1,733
Deposits at call		nil	2,679
Short term deposits (less than 60 days)		4,716	3,055
Total = Cash at End of *Full Year (Item 13(c) above)		6,568	7,467

16.0 EQUITY ACCOUNTED INVESTMENTS IN ASSOCIATES

Information attributable to the reporting group's share of investments in associates and other material interests is to be disclosed by way of separate note below (refer FRS-38 Accounting for Investments in Associates).

16.1 GROUP SHARE OF RESULTS OF ASSOCIATES

- (a) OPERATING *SURPLUS (DEFICIT) BEFORE TAX
(b) Less tax
(c) OPERATING *SURPLUS (DEFICIT) AFTER TAX
(i) Extraordinary items (future income tax benefits)
(d) NET *SURPLUS (DEFICIT) AND EXTRAORDINARY ITEMS AFTER TAX

Equity Earnings	
Current Full Year \$NZ'000	Previous corresponding Full Year \$NZ'000
(743)	134
nil	nil
(743)	134
nil	nil
(743)	134

16.2 MATERIAL INTERESTS IN CORPORATIONS NOT BEING SUBSIDIARIES

- (a) The group has a material (from group's viewpoint) interest in the following corporations:

Name	Percentage of ordinary shares held at end of Full Year		Contribution to net *surplus (deficit) (Item 1.5)	
	Current Full Year	Previous Corresponding Full Year	Current Full Year NZ\$'000	Previous Corresponding Full Year NZ\$'000
Equity Accounted Associates				
<u>A2 Milk (UK) Limited</u> Share of associate profits/ (losses) The company was formed in November 2011. The trading result is for a 7 month period.	50.0%			
			Equity Accounted in current period	
			(743)	
			(743)	
<u>A2 Milk Company LLC</u> Share of associate profits/ (losses) On 5 October 2010, A2C acquired the remaining 50% interest of A2 Milk Company LLC. A2 Milk Company LLC is now a 100% owned subsidiary and it does not trade.	nil	nil	-	16
			-	16
<u>A2 Dairy Products Australia Pty Limited</u> Share of associate profits/ (losses) Profit on restatement to subsidiary On 22 July 2010, A2C acquired the remaining 50% interest of A2DP. From this date, the surplus of A2DP is reported as a 100% owned subsidiary. Accordingly the current period represents trading for 21 days.	nil	nil	-	93
			-	25
			-	118
Other Material Interests				
			Equity Accounted in current period	
Equity Accounted Joint Ventures	nil	nil	nil	nil

- (b) Investments in Associates

Carrying value of investments in associates beginning of full year

Share of changes in associates' post acquisition surpluses/and reserves:

- Advances
- Retained surplus
- Reserves

Net goodwill amortisation and impairment adjustments in the period

Less Dividends received in the period

Less: Fair Value of acquisition of associates

Equity carrying value of investments at the end of full year

Amount of goodwill included in carrying value at end of that full year

Current Full Year \$NZ'000	Previous Corresponding Full Year \$NZ'000
nil	2,742
2,325	50
(743)	134
nil	40
nil	nil
nil	nil
nil	(2,966)
1,582	nil
nil	nil

17.0 ISSUED AND QUOTED SECURITIES AT END OF CURRENT FULL YEAR

Category of Securities	Number Issued	\$ value
PREFERENCE SHARES:		
# (Description)		
Issued during current *full year	n/a	
ORDINARY SHARES:		
Fully Paid shares:		
Issued during year	32,761,657	7,739,090
Partly Paid shares:		
Issued during year	nil	nil
CONVERTIBLE NOTES		
# (Description)		
Issued during current *full year	n/a	
Issued during current *full year	n/a	
DEBENTURES - Totals only:	\$	
UNSECURED NOTES - Totals only:	\$	
OTHER SECURITIES	\$	\$

Description includes rate of dividend or interest and any redemption or conversion rights together with the prices and dates thereof.

18.0 COMMENTS BY DIRECTORS

If no report in any section, state NIL. If insufficient space below, provide details in the form of notes to be attached to this report.

- (a) Material factors affecting the revenues and expenses of the group for the current year

refer attached commentary

- (b) Significant trends or events since end of current full year

Nil

- (c) Changes in accounting policies since last Annual Report and/or last Half Yearly to be disclosed

Nil

- (d) Critical Accounting Policies - Management believes the following to be critical accounting policies. That is they are both important to the portrayal of the Issuer's financial condition and results, as they require management to make judgments and estimates about matters that they are inherently uncertain

1/Estimating the carrying value of subsidiaries

2/Assessment of impairment of indefinite life intangibles

3/Estimation of fair value of share based payments

4/Recognition of deferred tax

- (e) Management's discussion and analysis of financial condition, result and/or operations (optional) - this section should contain forward looking statements that should outline where these involve risk and uncertainty

refer attached commentary

- (f) Other comments

refer attached commentary

19 DIVIDEND

- (a) Dividend Yield as at balance date (%) (Annual dividend per share divided by price per share)

n/a

- (b) Tax Adjusted Dividend Yield as at balance date (%) (Annual net dividend per share divided by price per share)

n/a

20 ANNUAL MEETING (if full year report)

(a) To be held at :

The offices of Simpson Grierson, Level 27,88 Shortland Street,Auckland City

(b) Date: 20 November 2012

Time: 2pm

(c) Approximate date of availability of Annual Report:

12-Oct-12

If this *full year report was approved by resolution of the Board of Directors, please indicate date of meeting:



(signed by) Authorised Officer of Listed Issuer

*Delete as required



(date)

A2 CORPORATION LIMITED
For the Year Ended 30 June 2012

OPERATING SEGMENT INFORMATION

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

	Segment Revenue		Segment Profit	
	2012	2011	2012	2011
Continuing operations				
Australia	62,605	42,206	3,945	2,885
New Zealand	1,442	183	1,227	(252)
Unallocated	-	-	-	50
Adjustments and eliminations	-	-	144	-
	<u>\$64,047</u>	<u>\$42,389</u>	<u>\$5,316</u>	<u>\$2,683</u>
Interest income			177	215
Interest expense			(199)	(121)
Share in profits/(losses) from associates			(743)	134
Depreciation and amortisation			(433)	(52)
Income tax income/(expense)			287	(743)
Consolidated segment profit/(loss)			<u>\$4,405</u>	<u>\$2,116</u>

	Depreciation & Amortisation		Additions to Non-Current Assets	
	2012	2011	2012	2011
Australia	408	52	11,411	2,073
New Zealand	25	-	12	4
	<u>\$433</u>	<u>\$52</u>	<u>\$11,423</u>	<u>\$2,077</u>

	Assets		Liabilities	
	2012	2011	2012	2011
Australia	52,910	38,686	39,750	28,020
New Zealand	35,695	24,108	1,783	518
Unallocated	1,726	-	2,445	-
Adjustments and eliminations	(40,659)	(30,065)	(31,654)	(20,992)
	<u>\$49,672</u>	<u>\$32,729</u>	<u>\$12,324</u>	<u>\$7,546</u>