

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO U.S. PERSONS

26 April 2013

The Manager
Company Announcements Office
Australian Securities Exchange
Level 4, 20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

FREEDOM FOODS GROUP LIMITED CAPITAL RAISING – ENTITLEMENT OFFER

Please find attached the following documents relating to Freedom Foods Group Limited's (**FNP**) Entitlement Offer which have been despatched to Eligible Shareholders on 26 April 2013:

- 1 Offer Booklet containing:
 - Letter from FNP's Chairman
 - Key Dates for the Entitlement Offer
 - How to Apply
 - Information on FNP
 - ASX Offer Announcement
 - Key Risks
 - Corporate Directory
- 2 Sample Entitlement and Acceptance Form

It is important to note that only Eligible Shareholders may participate in FNP's Entitlement Offer. Eligible Shareholders may participate in the 1 for 42 non-renounceable pro-rata entitlement offer on and subject to the terms set out in the Offer Booklet.

A notification to Ineligible Shareholders will be released to ASX separately.

Yours sincerely

Freedom Foods Group Limited



Rory Macleod
Managing Director



Entitlement Offer Offer Booklet

FREEDOM FOODS GROUP LIMITED ACN 002 814 235 ("FNP")

A traditional pro-rata non-renounceable entitlement offer by FNP to Eligible Shareholders of 1 New Share for every 42 Shares held as at the Record Date at an issue price of \$1.04 per New Share to raise approximately \$2.7 million before costs of the Entitlement Offer.

Offer closes at 5.00pm (Sydney time) on 10 May 2013

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This is an important document which is accompanied by a personalised Entitlement and Acceptance Form and both should be read in their entirety.

Please call your professional adviser if you have any questions.

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This Offer Booklet, and any accompanying ASX announcements and the Entitlement and Acceptance Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The Offer Booklet may not be distributed or released in the United States. The Entitlements and the New Shares offered in the Entitlement Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States absent registration or in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable securities laws. The New Shares to be offered and sold to Eligible Shareholders (as defined in section 1.4) will be sold only in "offshore transactions" (as defined in Rule 902(h) under the Securities Act) in compliance with Regulation S under the Securities Act).

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Chairman's Letter

26 April 2013

Dear Shareholder,

On behalf of the Directors of FNP, I am pleased to invite you to participate in the 1-for-42 non-renounceable pro-rata entitlement offer of new fully paid ordinary shares in FNP (**New Shares**) at an issue price of A\$1.04 (**Offer Price**) per New Share (**Entitlement Offer**). As announced on 10 April 2013, this Entitlement Offer is being launched to raise capital of approximately A\$2.7 million.

Purpose of the Entitlement Offer and use of proceeds

The funds raised under the Entitlement Offer will be applied to fund the Company's growth strategy including acceleration of capital projects within Freedom Foods and Pactum Australia, new product initiatives, acceleration and expansion of international sales activities and additional working capital requirements.

The Entitlement Offer

The Entitlement Offer is non-renounceable, which means that entitlements will not be tradeable on the ASX or otherwise transferable. Accordingly, shareholders who do not take up their entitlements will not receive any value for those entitlements and will have their ownership level of FNP diluted.

It is important to note the action which you must take in order to participate in the offer. **Taking no action will result in dilution of your shareholding.** Please see below for instructions on how to participate in the offer.

Details of your Entitlement

As an Eligible Shareholder you are entitled to subscribe for 1 New Share for every 42 existing FNP fully paid ordinary shares (**Share**) held at 7.00pm (Sydney time) on 19 April 2013 (**Record Date**) (**Entitlement**).

Eligible shareholders may also apply for New Shares in excess of their entitlement (**Additional New Shares**). Applications for Additional New Shares will be satisfied to the extent there is a shortfall in the Entitlement Offer. Any such Additional New Shares will be allocated at the discretion of the FNP. FNP intends to scale back application on a pro rata basis in the event of excess demand for such Additional New Shares. If applications are not received from eligible shareholders for all New Shares, FNP reserves the right to allot those New Shares at their discretion within 3 months after the close of the Entitlement Offer and at a price no less than the Offer Price.

New Shares and Additional New Shares will be issued on a fully paid basis and will rank equally with existing Shares except they will not be entitled to receive the dividend of \$0.01 announced in February and payable on 31 May 2013.

Offer Booklet

This Offer Booklet contains a number of important sections including:

- “Key Dates for the Entitlement Offer”;
- Instructions on “How to Apply”, setting out how to accept all or part of your Entitlement or apply for Additional New Shares in the Entitlement Offer if you choose to do so;
- ASX Offer Announcement;
- “Important Information”; and
- a personalised Entitlement and Acceptance Form which details your Entitlement, to be completed in accordance with the instructions provided on the form and the instructions in section 1 of this Offer Booklet.

The Entitlement Offer closes at 5.00pm (Sydney time) on 10 May 2013.

To participate, you need to ensure that your completed Entitlement and Acceptance Form, together with your payment by BPAY, cheque, bank draft or money order (**Application Monies**) is received by FNP by 5:00pm (Sydney time) on 10 May 2013.

Please refer to the instructions in section 1.7 of this Offer Booklet for further information.

Again, please note that you must take action in order to participate in the offer. **Taking no action will result in a lapse of your rights.** Please see below for how to participate in the offer.

Further information

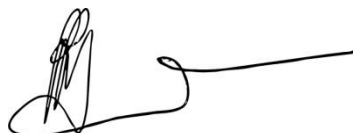
Further information on the Entitlement Offer and FNP’s business is detailed in this Offer Booklet or you can call Link Registrar’s on (+61) 1300 666 437.

You should read the entirety of this Offer Booklet carefully (including the “Key Risks” section, which contains a summary of key risks associated with an investment in FNP in section 4 of this Offer Booklet) before deciding whether to participate in the Entitlement Offer.

If you have any further questions about the Entitlement Offer, you should seek advice from your stockbroker or other professional adviser.

The board of directors of FNP thanks you for your continued support and looks forward to your participation in the Entitlement Offer.

Yours sincerely,



Perry Gunner
Chairman

Key Dates for the Entitlement Offer

Entitlement Offer announced	10 April 2013
Ex date	15 April 2013
Record date for Entitlement Offer	7pm (Sydney time) 19 April 2013
Despatch of Offer Booklet to Eligible Shareholders	26 April 2013
Entitlement Offer closes	5pm (Sydney time) on 10 May 2013
FNP notifies ASX of under subscriptions	15 May 2013
Issue of New Shares under the Entitlement Offer	20 May 2013
Despatch of holding statements	21 May 2013
Trading of New Shares issued under the Entitlement Offer expected to commence on ASX	21 May 2013

Note: The above timetable is indicative only and subject to change. FNP reserves the right to amend any or all of these events, dates and times subject to the *Corporations Act 2001* (Cth) (**Corporations Act**), the Australian Securities Exchange (**ASX**) Listing Rules and other applicable laws. In particular, FNP reserves the right to extend the closing date of the Entitlement Offer, to accept late applications either generally or in particular cases or to withdraw the Entitlement Offer without prior notice. The commencement of quotations of New Shares and Additional New Shares is subject to confirmation from ASX. All references in this Offer Booklet are to Sydney time.

Enquiries

For any additional information about the Entitlement Offer, please call Link Registrar's on (+61) 1300 666 437 between 9am and 5pm (Sydney time).

1 How to Apply

1.1 The Entitlement Offer

Under the Entitlement Offer, Eligible Shareholders are being offered the opportunity to subscribe for 1 New Share for every 42 Shares held as at the Record Date (7.00pm (Sydney time) on 19 April 2013), at the Offer Price (\$1.04) per New Share.

You should note that not all holders of Shares (**Shareholders**) as at the Record Date (7.00pm (Sydney time) on 19 April 2013) will be eligible to participate in the offer of New Shares. Please refer to section 1.4 of this Offer Booklet for more information.

Eligible Shareholders may also apply for Additional New Shares in excess of their Entitlement. Applications for Additional New Shares may be satisfied to the extent there is a shortfall in the Entitlement Offer, subject to any scale-back at FNP's discretion. If the Additional New Shares applied for exceeds the shortfall, FNP reserves the right to scale back allocations and allot any Additional New Shares amongst applicants for those shares as it determines. Therefore, your application for Additional New Shares may not be successful (wholly or partially). There is no guarantee that you will receive any Additional New Shares. The decision of FNP on the number of Additional New Shares to be allocated to you will be final. If applications are not received from Eligible Shareholders for all New Shares, FNP reserves the right to allot those New Shares at their discretion within 3 months after the close of the Entitlement Offer and at a price no less than the Offer Price.

New Shares and Additional New Shares issued pursuant to the Entitlement Offer will be fully paid and rank equally with existing Shares on issue except they will not be entitled to receive the dividend of \$0.01 announced in February and payable on 31 May 2013.

The Entitlement Offer is non-renounceable, which means that entitlements will not be tradeable on the ASX or otherwise transferable. Accordingly, Eligible Shareholders who do not take up their entitlements will not receive any value for those entitlements and will have their ownership level of FNP diluted.

It is important to note the action which you must take in order to participate in the offer.

Eligible Shareholders who do not take up all of their Entitlements will have their interest in FNP diluted.

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1 New Share for every 42 Shares held as at the Record Date, being 7.00pm (Sydney time) on 19 April 2013. If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

Note: The Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are in the United States (see definition of Eligible Shareholders in section 1.4 of this Offer Booklet).

Eligible Shareholders who hold shares in the capacity of a trustee, nominee or custodian (or in another capacity) for another person cannot take up Entitlements, purchase New Shares or subscribe for Additional New Shares for beneficiaries that are in the United States, or, who are otherwise located outside of Australia and New Zealand.

1.2 Consider the Entitlement Offer in light of your particular investment objectives and circumstances

If you are an Eligible Shareholder, you may do any one of the following:

- (a) take up all of your Entitlement;
- (b) take up all of your Entitlement and also apply for Additional New Shares in excess of your Entitlement;
- (c) apply for part of your Entitlement and allow the balance to lapse; or
- (d) not apply for any of your Entitlement and allow it to lapse.

Please consult with your stockbroker, accountant or other independent professional adviser if you have any queries or are uncertain about any aspect of the Entitlement Offer. You should also refer to the “Key Risks” in section 4 of this Offer Booklet.

If you do nothing your Entitlements will lapse.

1.3 Acceptance of all or part of your Entitlement

If you decide to take up all or part of your Entitlement or apply for Additional New Shares, please complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies or pay your Application Monies via BPAY, cheque, bank draft or money order by following the instructions set out on the personalised Entitlement and Acceptance Form.

Your Entitlement and Acceptance Form and your Application Monies, or your BPAY payment, must be received by 5.00pm (Sydney time) on 10 May 2013.

If you are paying by BPAY, please make sure to use the specific biller code and unique reference number on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the reference number specified on that form. For detailed instructions on paying by BPAY, follow the instructions in section 1.7(a).

If you are paying by cheque, bank draft or money order, complete the Entitlement and Acceptance Form in accordance with the instructions on the form, and lodge the completed Entitlement and Acceptance Form together with a cheque as instructed in section 1.7(b) ensuring it is received before the Entitlement Offer closes.

FNP will treat you as applying for as many New Shares and Additional New Shares as your payment will pay for in full, subject to any scale-back it may determine to implement in respect of Additional New Shares. Any amounts received by FNP in excess of your Entitlements (**Excess Amount**) will be treated as an application to apply for as many Additional New Shares as your Excess Amount will pay for in full.

If you take no action or your application is not supported by cleared funds, you will be deemed to have renounced all of your Entitlement. You should note that if you renounce all or part of your Entitlement, your percentage shareholding in FNP will be diluted. If you take up and pay for all or part of your Entitlement or apply for Additional New Shares before the closing date of the Entitlement Offer of 5:00pm (Sydney time) 10 May 2013, you will be allotted your New Shares on or about 20 May 2013. FNP's decision on the number of New Shares and Additional New Shares allotted to you will be final.

You should note that if you apply for Additional New Shares then, subject to FNP's ability to scale-back your allocation of Additional New Shares (in whole or part), you will be issued these on or about 20 May 2013. FNP's decision on the number of Additional New Shares to be allocated to you will be final.

FNP reserves the right to reject any Entitlement and Acceptance Form which in its sole judgement is not correctly completed or is received after the scheduled closing date of the Entitlement Offer.

1.4 Eligible Shareholders

Eligible Shareholders are those Shareholders who:

- (a) are registered as a holder of Shares as at the Record Date, being 7.00pm (Sydney time) on 19 April 2013;
- (b) as at the Record Date, have a registered address in Australia or New Zealand;
- (c) are not in the United States; and
- (d) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

By returning a completed Entitlement and Acceptance Form, you will be taken to have represented and warranted that you satisfy each of the criteria listed above. Eligible Shareholders who are nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

Nominees and custodians which hold Shares as nominees or custodians will have received, or will shortly receive, a letter in respect of the Entitlement Offer from FNP. Nominees and custodians should consider carefully the contents of that letter and note in particular that:

- no offer document is to be sent to any Ineligible Shareholder or any person that is in the United States for whom they are the nominee holder; and
- no Entitlement and Acceptance Form is to be submitted or New Shares otherwise purchased on behalf of any Ineligible Shareholder or any person that is in the United States.

FNP is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws. Eligible Shareholders who are nominees, trustees or custodians are therefore advised to seek independent advice as to how to proceed.

For the avoidance of doubt, FNP reserves the right (in its absolute sole discretion) to reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or they fail to provide information to substantiate their claims.

FNP also reserves the right to reject any acceptance of an Entitlement that they believe comes from a person who is not eligible to accept an Entitlement.

1.5 Ineligible Shareholders

All Shareholders who are not Eligible Shareholders, are Ineligible Shareholders (**Ineligible Shareholders**). Ineligible Shareholders will not be entitled to participate in the Entitlement Offer.

BNP has determined that it would be unreasonable on this occasion to extend the Entitlement Offer to Ineligible Shareholders, having regard to the number of securities held by Ineligible Shareholders, the number and value of New Shares that they would be offered and the costs of complying with the legal and regulatory requirements which would apply to an offer of securities to Ineligible Shareholders in those places.

Accordingly, the Entitlement Offer is not being extended to shareholders whose registered address is outside Australia and New Zealand and no action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

1.6 Acceptance of the Entitlement Offer

The method of acceptance of the Entitlement Offer will depend on your method of payment being by BPAY, cheque, bank draft or money order.

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY, or otherwise applying to participate, you will be deemed to have represented that you are an Eligible Shareholder (as defined in section 1.4 of this Offer Booklet) and made the other declarations on that personalised Entitlement and Acceptance Form and set out below.

In addition, by completing and returning your personalised Entitlement and Acceptance Form with your Application Monies or making a payment by BPAY, or otherwise applying to participate, you:

- (a) agree to:
 - (i) apply for, and be issued with up to, the number of New Shares and Additional New Shares that you apply for at the Offer Price of \$1.04 per New Share and per Additional New Share; and
 - (ii) be bound by the terms of this Offer Booklet and the provisions of BNP's constitution;
- (b) authorise BNP to register you as the holder of New Shares and Additional New Shares and authorise BNP and its officers or agents to do anything on your behalf necessary for the New Shares and Additional New Shares to be issued to you, including to act on instruction of BNP's share registry by using the contact details set out in the personalised Entitlement and Acceptance Form;

By completing and returning your personalised Entitlement and Acceptance Form with your Application Monies or making a payment by BPAY, or otherwise applying to participate, you will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that:

- (a) all details and statements made in the personalised Entitlement and Acceptance Form are complete and accurate;
- (b) you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement Offer;
- (c) you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;

- (d) once FNP receives the Entitlement and Acceptance Form with the requisite Application Monies or your payment by BPAY, you may not withdraw it except as allowed by law;
- (e) you have read and understood this Offer Booklet and the personalised Entitlement and Acceptance Form;
- (f) the law of any place (other than Australia and New Zealand) does not prohibit you from being given this Offer Booklet or making an application for New Shares;
- (g) you are not in the United States and are subscribing for or purchasing New Shares in an "offshore transaction" (as defined in Rule 902(h) under the Securities Act) in compliance with Regulation S under the Securities Act;
- (h) you acknowledge that the Entitlements and the New Shares and the Additional New Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, or in any other jurisdiction outside Australia or New Zealand and, accordingly, the Entitlements and the New Shares may not be offered, sold or otherwise transferred, directly or indirectly, in the United States absent registration or in a transaction exempt from or not subject to, the registration requirements of the Securities Act and any other applicable securities laws;
- (i) you are not engaged in the business of distributing securities;
- (j) you have not and will not send any materials relating to the Entitlement Offer, including this Offer Booklet and the Entitlement and Acceptance Form, to any person in the United States;
- (k) you are eligible under applicable securities laws to exercise Entitlements and acquire New Shares and Additional New Shares under the Entitlement Offer; and
- (l) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and you have not sent the Entitlement and Acceptance Form or any information relating to the Entitlement Offer to any such person.

1.7 Payment methods

You can pay in the following ways:

- BPAY; or
- cheque, bank draft or money order.

Cash payments will not be accepted. Receipts for payment will not be provided.

FNP will treat you as applying for as many New Shares and Additional New Shares as your payment will pay for in full, subject to any scale back it may determine to implement in respect of Additional New Shares.

Application Monies received from Eligible Shareholders will be held in the FNP Entitlement Offer Account established solely for the purpose of holding the Application Monies.

Any Application Monies received for more than your final allocation of New Shares and Additional New Shares will be refunded (except for where the amount is less than \$1.00 in which case it will be donated to an Australian charity to be decided by the Board. No interest will be paid to Eligible Shareholders on any Application Monies received or refunded.

(a) **Payment by BPAY**

For payment by BPAY, please follow the instructions on the personalised Entitlement and Acceptance Form (which includes the biller code and your unique reference number). You can only make a payment via BPAY if you are the holder of an account with an Australian financial institution that supports BPAY transactions.

Please note that should you choose to pay by BPAY:

- **you do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations on the personalised Entitlement and Acceptance Form; and**
- if you do not pay for your full Entitlements, you are deemed to have taken up your Entitlements in respect of such whole number of New Shares which is covered in full by your Application Monies.

If you pay for more than your full Entitlements, you are deemed to have applied for such number of whole Additional New Shares which is covered in full by your Application Monies in excess of your Entitlements.

It is your responsibility to ensure that your BPAY payment is received by no later than 5.00pm (Sydney time) on 10 May 2013. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment.

(b) **Payment by cheque, bank draft or money order**

For payment by cheque, bank draft or money order, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions set out on that form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to "Freedom Foods Group Limited – Entitlement Offer" and crossed "Not Negotiable".

Your cheque, bank draft or money order must be:

- for an amount equal to A\$1.04 multiplied by the total number of New Shares and Additional New Shares that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution.

It is your responsibility to ensure that your payment is received by the Registry by no later than 5.00pm (Sydney time) on 10 May 2013.

You should ensure that sufficient funds are held in the relevant account(s) to cover the Application Monies. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares and Additional New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares and Additional New Shares as your cleared Application Monies will pay for (and taken to have specified that number of New Shares and Additional New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your application will not be accepted.

1.8 Mail

To participate in the Entitlement Offer, your payment must be received no later than the close of the Entitlement Offer, on 5.00pm (Sydney time) on 10 May 2013. Shareholders who make payment via cheque, bank draft or money order should mail their completed personalised Entitlement and Acceptance Form together with Application Monies to:

Freedom Foods Group Limited
Link Market Services Limited
GPO Box 3560
Sydney, NSW, 2001

Completed Entitlement and Acceptance Forms and Application Monies will not be accepted if sent to FNP's registered office or to another Registry office.

2 Information on FNP

FNP is an Australian public company listed on the ASX, providing for Specialised Needs in the Global Food Industry

The Company's current business activities comprise the following:

- Freedom Foods, operating in the manufacture, distribution and marketing of allergen free cereals and nutritional snacks and other food products under the Freedom Foods brand and dairy alternative beverages under the Australia's Own and Freedom Foods brands;
- Pactum Australia, operating in the manufacture and distribution of Aseptic (long life) beverages and foods;
- Specialty Seafood, operating in the distribution and marketing of canned Herring Sardines and Canned Alaskan Salmon under the Brunswick and Paramount brands; and
- A strategic 18.07% investment in A2 Corporation, operating in A2 branded dairy milk manufacture, marketing and distribution activities in Australia and International Markets.

FNP operations comprise sales principally in Australia and New Zealand, with an increasing sales presence in North America and Asia for Freedom Foods and Pactum Australia.

Financial information

FNP's audited financial statements and details of FNP's recent operational activities and financial results for the half year ended 31st December 2012 (Reviewed) and the financial year ended 30 June 2012 were lodged with ASX on 28th February 2013 and 28 September 2012, and copies may be obtained at <http://www.asx.com.au/>.

3 Purpose of Entitlement Offer and use of proceeds

The funds raised under the Entitlement Offer will be applied to fund the Company's growth strategy including acceleration of capital projects within Freedom Foods and Pactum Australia, new product initiatives, acceleration and expansion of international sales activities and additional working capital requirements.

4 Key Risks

A number of risks and uncertainties, which are both specific to FNP and of a more general nature, may affect the future operating and financial performance of FNP. You should carefully consider the following risk factors, as well as the other information provided by FNP in connection with the Entitlement Offer, and consult your financial, taxation and legal advisers before deciding whether to invest. The risks and uncertainties described below are not the only ones facing FNP. Additional risks and uncertainties that FNP is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect FNP's operating and financial performance.

Investors should be aware of the risks associated with an investment in FNP. The following list of risks is not intended to be exhaustive. In particular, prospective investors should consider the following:

(a) Competition

The Company and its associate entities operate in a competitive market environment. There can be no guarantees that the competitive environment in which FNP and its associate entities currently operate will remain the same. New entrants, a material adverse change to the competitive environment or new initiatives implemented by competitors may have a material impact on the operating and financial performance of the Company and its associate entities.

(b) Consumer preferences and perceptions

The Company and its associate entities' business may be affected by changes in consumer tastes, international, national, regional and local economic conditions and demographic trends. There could be a material adverse impact on the operating and financial performance of the Company and its associate entities if health or dietary preferences cause consumers to avoid the Company and its associate entities' products in favour of alternative products

(c) De ranging of a significant number of product lines by a major customer

The FNP business units have strong relationships with major retail customers that make it unlikely that they will be delisted entirely as a supplier. While each of the businesses brands have established a major segment position that is being actively supported by their retailer customers, there is a risk that certain of the product lines may be delisted due to retailer strategy, competitive pressure or perceived underperformance. The business has an active process of reviewing and upgrading product lines to assist their competitive position.

(d) Intellectual property

The Company and its associate entities maintain trade mark registrations in more than four jurisdictions around the world, which provide the legal underpinning for the Company and its associate entities' brands. The Company and its associate entities' trademarks and other intellectual property rights including rights to patents by A2 Corporation (18.07% equity associate) in relation to the marketing and distribution of A2 milk are important to the Company and its associate entities' ongoing success and competitive position. If the actions taken to establish and protect the Company and its associate entities' trademarks and other intellectual property rights are not adequate to prevent product imitation or to prevent others from seeking to block sales of the Company and its associate entities' products, it may be necessary for the Company and its associate entities to initiate or enter into litigation in the future to enforce the Company and its associate entities' trade mark rights or to defend against claims of infringement. Any legal proceedings could result in an adverse determination, which may have a material adverse impact on the operating and financial performance of the Company and its associate entities

(e) Reputation and brand names

The success of the Company and its associate entities is highly reliant on its reputation and branding. Any factors or unforeseen issues or events that diminish the Company and its associate entities' reputation or brand names may have a material adverse impact on the operating and financial performance of the Company and its associate entities

(f) New Products and Innovations

Some of the new products or brands which the Company and its associate entities intend to launch and upon which the Company proposes to develop its business, may not be successful. This may have a material adverse impact on the operating and financial performance of the Company and its associate entities. There is also a risk that certain new products that the Company and its associate entities intend to introduce will be competitively inferior to similar products manufactured and sold by competitors. In addition, these may be technological or product innovations in the future which may impact on the perceived benefits of the Company and its associate entities' products which may have a material adverse impact on the operating and financial performance of the Company and its associate entities.

(g) Production

The Company's primary manufacturing sites are at Leeton in regional NSW and in Taren Point, Sydney, NSW. Production at the Leeton plant accounts for up to approximately 85 % of the total manufacturing of the Company's non beverage products as at March 2013. There is a risk that either manufacturing site may not be able to maintain required production levels or may be shut down entirely or in part due to natural disaster, industrial action, contamination, an industrial accident, fire, a serious power failure or explosion. If this occurred, there is a risk that production could not be sourced from an alternative manufacturer, or the sourced product may not meet FNP's required standards. This could mean that the Company is not able to supply their customers or supply the required amounts. It could also mean the Company may have quality control difficulties or may incur damage to the Company's reputation or brand names. Any or all of these matters may have a material adverse impact on the operating and financial performance of the Company and its associate entities

(h) Company's growth strategies may not achieve their objectives

The Company has identified a number of growth strategies to continue to drive margin improvements and sales growth. There is a risk that the implementation of the Company's growth strategies could be subject to delays or cost overruns and there is no guarantee that these initiatives and strategies will generate the full benefits anticipated or result in sales growth. Any delay in implementation, failure to successfully implement, or unintended consequences or implementing any or all of the Company's turnaround initiatives and growth strategies may have an adverse effect on the Company's future financial performance.

(i) Relationships with suppliers

The Company and its associate entities have a number of important arrangements with key suppliers, including co manufacturers for supply of seafood, certain Freedom Foods products not able to be produced at Leeton and A2 dairy milk. If the Company and its associate entities' relationships with any of these suppliers deteriorates or the supplier ceases trading for any reason and the Company and its associate entities' inventory is depleted, the Company and its associate entities may not be able to source alternative products or raw materials immediately or only on less favourable terms. Any event that results in the Company and its associate entities incurring higher costs from suppliers that cannot be passed on to the consumer may have a material adverse impact on the operating and financial performance of the Company and its associate entities.

(j) Finished Goods and Raw Material Price Changes

While a number of the finished goods and raw materials purchases by FNP are subject to continual price movement, FNP purchases these items on forward contracts, which typically provide cover for periods between 3 and 6 months ahead depending on the nature of the product. These periods may not provide management and the business adequate time to pass price increases on to the customer through retail pricing or re shape the product to maintain margins.

(k) Product liability and Compliance

The Company and its associate entities have procedures and policies in place to ensure compliance with the Australian and New Zealand Food Standards and to ensure the Company's products are free from contamination. Contamination, or an extortion threat on the basis of an alleged or actual contamination, of one of the Company and its associate entities' products, may lead to business interruption, product recalls or liabilities to consumers. While the Company maintains insurance cover with respect to a certain number of these risks, the Company and its associate entities may not be able to enforce its rights in respect of these policies. If the Company and its associate entities do recover an amount under their insurance policies for loss suffered, it may not be sufficient to offset any damage to the financial condition, reputation or prospects of the Company and its associate entities caused by the contamination or extortion threat. Product contamination or an extortion threat may have a material adverse impact on the operating and financial performance of the Company and its associate entities.

Failure to comply with Australian and New Zealand Food Standards or other laws and regulations governing the manufacturing and sale of food could result in revocation of licences or registrations the Company and its associate entities require in order to conduct their business. This may have a material adverse impact on the operating and financial performance of the Company and its associate entities.

(l) Insurance

The Company and its associate entities have in place insurance which it considers appropriate to its circumstances. However, not all material risks associates with the Company and its associated entities' business have been insured, as the relevant insurance may not be available or on terms which the Directors consider appropriate. In addition, no assurance can be given that the Company and its associate entities' insurance will be available in the future on reasonable terms or will provide adequate coverage against claims made. If the Company and its associate entities incur uninsured losses or liabilities, this may have a material adverse impact on the operating and financial performance of the Company and its associate entities.

(m) Environment

The Company and its associate entities' operations are subject to environmental laws and regulations. The Company and its associate entities could incur material costs in order to comply with those laws and regulations, or as a consequence of a breach of those laws and regulations. Such costs could arise due to the historic operations and activities of others conducted on a site owned or operated by the Company and its associate entities. Those costs may have a material adverse impact on the operating and financial performance of the Company and its associate entities. In addition, changes to environmental laws and regulations may have a material adverse impact on the operating and financial performance of the Company and its associate entities.

(n) Banking Facilities

There are certain conditions attaching to FNP's existing bank facility which will determine the extent of the facility available to FNP. If those conditions are not met, FNP may not have available funds sufficient to enable it to conduct business in the manner envisaged. FNP has established bank facilities comprising term facilities and multi option facilities inclusive of bank overdraft facilities, secured by first registered mortgage over all the groups' property, excluding items discharged under an equipment finance arrangement with NAB. The multi option and bank overdraft facilities are subject to annual review including compliance with covenants.

(o) Management

In common with many businesses, the success of FNP, will, to a significant extent, be dependent on the expertise and experience of the Managing Director and other senior management, the loss of one or more of whom could have a material adverse effect on FNP. Whilst FNP has entered into service

agreements with the Managing Director and other senior management and they are shareholders, the retention of their services cannot be guaranteed.

(p) Taxation implications

Future changes in taxation law in Australia, including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect taxation treatment of an investment in FNP securities, or the holding or disposal of those securities. Further, changes in taxation law, or to the way taxation law is interpreted in the various jurisdictions in which FNP operates, may impact FNP's future tax liabilities.

Neither FNP, nor any of its officers or employees, nor its taxation or other advisors, accepts any liability or responsibility in respect of any statement concerning taxation consequences or in respect of the taxation consequences.

(q) Credit Risks

Credit market conditions and the operating performance of FNP will affect borrowing costs as well as FNP's capacity to repay, refinance and increase its debt.

(r) General Risks relating to Equity Investments and Markets

Investors should be aware that there are risks associated with any investment listed on the ASX. The value of Shares may rise above or fall below the Offer Price, depending on the financial condition and operating performance of FNP. Further, the price at which Shares trade on ASX may be affected by a number of factors unrelated to the financial and operating performance of FNP and over which FNP and its directors have no control. These external factors include:

- economic conditions in Australia and overseas;
- investor sentiment in the domestic and international stock markets;
- changes in fiscal, monetary, regulatory and other government policies; and
- geo-political conditions such as acts or threats of terrorism or military conflicts.
- Investors should note that the historic share price performance of Shares provides no guidance as to its future share price performance.

5 Board of directors

The FNP directors as of the date of this Offer Booklet are:

- Mr Perry Gunner (Chairman, Non Exec. Director)
 - Mr Rory Macleod (Managing Director)
 - Mr Geoffrey Babidge (Non Exec. Director)
 - Mr Mel Miles (Non Exec. Director)
 - Mr Ronald Perich (Non Exec. Director)
- Mr Anthony (Tony) Mark Perich (Non Exec. Director)

6 Issued capital

As at the date of this Offer Booklet, FNP's issued capital consisted of:

Type of capital	Number
Shares on issue before the Entitlement Offer	110,782,651
Employee Share Options	8,450,000
Unlisted Options	2,561,705
Convertible Redeemable Preference Shares	17,456,610

7 Substantial shareholders

As at 22 April 2013, following shareholders have notified FNP that they are substantial shareholders:

- Arrovest Pty Limited holding 61.03% of Shares on issue;
- Perpetual Limited and its subsidiaries holding 6.94% of Shares on issue; and
- LHC Capital Pty Ltd holding 5.12% of Shares on issue.

FNP's shareholder distribution, as disclosed within FNP's 2012 Annual Report, as at 28 September 2012 is set out in the table below:

Size of holding	Number of ordinary shareholders
1 to 1,000	300
1,001 to 5,000	253
5,001 to 10,000	84
10,001 to 100,000	130
100,001 and over	35
Total	802

8 ASX Offer Announcement



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

10 April 2013

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

Freedom Foods Group Limited \$2.7 MILLION NON-RENOUNCEABLE ENTITLEMENT OFFER

Further to the announcement on 10 April 2013, Freedom Foods Group Limited (ASX Code: FNP) is pleased to announce further details regarding an approximate \$2.7 million 1 for 42 traditional non-renounceable entitlement offer (**Entitlement Offer**) at a price of \$1.04 per share (**Offer Price**). The main purpose of the raising is to fund FNP's growth strategy including acceleration of capital projects within Freedom Foods and Pactum Australia, new product initiatives, acceleration and expansion of international sales activities and additional working capital requirements.

The Entitlement Offer will be made on a basis of 1 new FNP ordinary share (**New Share**) for every 42 existing FNP ordinary share held by eligible shareholders at 7.00pm (Sydney time) on 19 April 2013 (**Record Date**).

All shareholders with a registered address in Australia and New Zealand will be eligible to participate.

Shares bought back under the minimum holding share buy back, as announced on 28 February 2013, will be cancelled before the Record Date and therefore will not be entitled to participate in the Entitlement Offer.

Shares issued pursuant to the placement to institutional and sophisticated investors, as announced earlier today, will be issued prior to the Record Date and therefore eligible holders of those shares on the Record Date will be entitled to participate in the Entitlement Offer.

The Entitlement Offer is non-renounceable and entitlements will not be tradeable on the ASX or otherwise transferable. Accordingly, shareholders who do not take up their entitlements will not receive any value for those entitlements and will have their ownership level of FNP diluted.

The Entitlement Offer is to be implemented under section 708AA of the *Corporations Act 2001* (Cth), as modified by ASIC Class Order CO08/35.

A document setting out the terms of the Entitlement Offer (**Offer Booklet**) will be lodged with ASX on 26 April 2013. Eligible shareholder will also be sent a copy of the Offer Booklet and a personalised application form on 26 April 2013.

The Entitlement Offer does not require shareholder approval and will not be underwritten. Eligible shareholders may also apply for New Shares in excess of their entitlement (**Additional New Shares**). Applications for Additional New Shares will be satisfied to the extent there is a shortfall in the Entitlement Offer. Any such Additional New Shares will be allocated at the discretion of the FNP. FNP intends to scale back application on a pro rata basis in the event of excess demand for such Additional New Shares. If applications are not received from eligible shareholders for all New Shares, FNP reserves the right to allot those New Shares at their discretion within 3 months after the close of the Entitlement Offer and at a price no less than the Offer Price.

All New Shares and Additional New Shares will rank equally with existing ordinary FNP shares from the date of issue except they will not be entitled to receive the dividend of \$0.01 announced in February and payable on 31 May 2013.

FNP's largest shareholder, Arrovest Pty Limited, and its related parties will not be eligible apply for New Shares in excess of their entitlement.

Requirement for capital

The proceeds of the capital raising will be applied to fund the Company's growth strategy including acceleration of capital projects within Freedom Foods and Pactum Australia, new product initiatives, acceleration and expansion of international sales activities and additional working capital requirements.

Yours Sincerely



Rory J F Macleod
Managing Director
Freedom Foods Group Limited

Important Notice

This announcement does not constitute an offer of shares for sale in the United States or in any other jurisdiction in which such an offer would be illegal. The shares have not been registered under the US Securities Act, and may not be offered or sold in the United States (other than to eligible US fund managers.)

Indicative Timetable

Event	Date
FNP announces Entitlement Offer	10 April 2013
FNP sends notice to shareholders containing the information in the Appendix 3B	12 April 2013
Ex date	15 April 2013
Record date to identify shareholders entitled to participate in the Entitlement Offer	7pm (AEST) on 19 April 2013
FNP despatches Offer Booklet to eligible shareholders	26 April 2013
Entitlement Offer opens	26 April 2013
Entitlement Offer closes	5pm (AEST) on 10 May 2013
Notice of under-subscriptions to ASX	15 May 2013
Allotment of new shares under Entitlement Offer	20 May 2013
Commencement of trading on a normal settlement bases	21 May 2013

The above timetable is indicative only. FNP reserves the right to amend any or all of these dates and times, to accept late applications either generally or, in particular cases, to withdraw the offers without prior notice subject to the Corporations Act, the ASX Listing Rules and other applicable laws. The commencement of quotation of shares is subject to ASX confirmation.

9 Important Information

This Offer Booklet (including the ASX Offer Announcement and the enclosed personalised Entitlement and Acceptance Form) has been prepared by FNP. This Offer Booklet is dated 26 April 2013.

No party other than FNP has authorised or caused the issue of this Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Offer Booklet.

This Offer Booklet is important and requires your immediate attention.

This Offer Booklet contains an offer of New Shares and Additional New Shares to Eligible Shareholders and has been prepared in accordance with section 708AA of the Corporations Act as modified by ASIC Class Order 08/35 which allows rights issues to be offered without a prospectus.

Neither this Offer Booklet nor the Entitlement and Acceptance Form are required to be lodged or registered with ASIC and no prospectus for the Entitlement Offer will be prepared. These documents do not contain, or purport to contain, all of the information that a prospective investor may require in evaluating an investment in FNP. They do not contain all the information which would be required to be disclosed in a prospectus.

As a result, it is important for Eligible Shareholders to carefully read and understand the information on FNP and the Entitlement Offer made publicly available, prior to accepting all or part of their Entitlement. In particular, please refer to this Offer Booklet and other announcements made available at <http://www.asx.com.au>.

9.1 No cooling off rights

Cooling off rights do not apply to an investment in New Shares and Additional New Shares. You cannot withdraw your application once it has been made.

9.2 Additional New Shares

Applications for Additional New Shares will be satisfied to the extent there is a shortfall in the Entitlement Offer. If the Additional New Shares applied for exceeds the shortfall, FNP reserves the right to scale back allocations and allot any Additional New Shares amongst applicants for those shares as it determines. Therefore, your application for Additional New Shares may not be successful (wholly or partially). There is no guarantee that you will receive any Additional New Shares. The decision of FNP on the number of Additional New Shares to be allocated to you will be final. If applications are not received from Eligible Shareholders for all New Shares, FNP reserves the right to allot those New Shares at their discretion within 3 months after the close of the Entitlement Offer and at a price no less than the Offer Price.

9.3 Minimum subscription

There is no minimum subscription for the Entitlement Offer.

9.4 ASX quotation

On 10 April 2013, FNP made an application to ASX for admission of the New Shares and Additional New Shares offered under this Offer Booklet.

It is expected that trading will commence in relation to the New Shares and Additional New Shares issued under the Entitlement Offer on 21 May 2013 on a normal settlement basis. FNP disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares or Additional New Shares before the New Shares are listed on the official list of ASX or receiving their holding

statements, whether on the basis of confirmation of the allocation provided by FNP or the FNP share registry or otherwise.

9.5 Not investment advice

This Offer Booklet is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. FNP is not licensed to provide financial product advice in respect of the New Shares and Additional New Shares.

Before deciding whether to apply for New Shares and Additional New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Offer Booklet, you have any questions about the Entitlement Offer, you should contact your stockbroker, accountant or other independent professional adviser.

9.6 Issue of New Shares and Additional New Shares

New Shares and Additional New Shares will be issued as soon as practicable after the close of the Entitlement Offer and holding statements are anticipated to be despatched on 21 May 2013. Issues of New Shares and Additional New Shares under the Entitlement Offer will only be made after permission for their quotation on ASX has been granted.

Subscription money will be held in a subscription account until the New Shares and Additional New Shares are issued. This account will be established and kept by FNP on behalf of each participating Eligible Shareholder.

Interest earned on the subscription money will be for the benefit of FNP, and will be retained by FNP irrespective of whether New Shares and Additional New Shares are issued.

9.7 Entitlements attaching to New Shares and Additional New Shares

The New Shares and Additional New Shares issued will rank equally with the existing Shares on issue except they will not be entitled to receive the dividend of \$0.01 announced in February and payable on 31 May 2013. The rights and liabilities attaching to the New Shares and Additional New Shares are set out in the constitution of FNP, the Listing Rules and the Corporations Act.

9.8 Privacy statement

If you complete an application for New Shares and Additional New Shares, you will be providing personal information to FNP (directly or by Link Market Services Pty Limited). FNP collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and Link Market Services Pty Limited.

You can access, correct and update the personal information that is held about you. If you wish to do so please contact Link Market Services Pty Limited at the relevant contact numbers set out in the Corporate Directory of this Offer Booklet.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if the information required on the Entitlement and Acceptance Form is not provided, FNP may not be able to accept or process your application.

9.9 Taxation

This section is a general summary of certain Australian income tax, goods and services tax (**GST**) and stamp duty implications for of the Entitlement Offer for certain Eligible Shareholders.

The comments in this section 9.9 deal only with the Australian taxation consequences of the Entitlement Offer for Eligible Shareholders who:

- are residents of Australia for income tax purposes; and
- hold their existing Shares on capital account.

This section does not consider the position for Eligible Shareholders who:

- are not resident solely in Australia for Australian income tax purposes;
- are in the business of share trading or who hold their existing Shares on revenue account or as trading stock (including shareholders such as banks, insurance companies and shareholders carrying on a business of share trading);
- have acquired their existing Shares for resale at a profit;
- acquired their existing Shares under an employee share or option plan or in return for services provided (including services provided by directors);
- are subject to the special taxation rules regarding the Taxation of Financial Arrangements (**TOFA**); or
- acquired (or are taken to have acquired) their existing Shares on or prior to 19 September 1985.

The information contained in this section is general in nature and is based on Australian income tax, GST and stamp duty laws and administrative practices in force as at 9am on the date of this Offer Booklet (no foreign taxation implications of the Entitlement Offer have been considered in this taxation section). Neither FNP, nor any of its officers, nor its taxation or other advisors, accepts any liability or responsibility in respect of any statement concerning the taxation consequences of the Entitlement Offer.

The information contained in this section is not taxation advice and should not be relied upon as such. It is intended as a general guide only and is not an authoritative or complete statement of all potential tax implications for each Eligible Shareholder. The summary below also does not take account of any individual circumstances of any particular Eligible Shareholder. Taxation is a complex area of law and can be subject to constant change and the taxation consequences for each Eligible Shareholder may differ depending on their own particular circumstances. Further, legislation may be enacted which has retrospective effect. Accordingly, Eligible Shareholders should seek specific advice applicable to their own particular circumstances from their own financial and tax advisers.

(a) Issue of Entitlements

Generally, the issue of the Entitlements should not, of itself, result in any amount being included in the assessable income of an Eligible Shareholder.

(b) Lapsing of Entitlements

As the terms of the Entitlement Offer provide that Eligible Shareholders do not receive any consideration if the Entitlements are not exercised, the lapsing of Entitlements should not give rise to any income tax (including capital gains tax (**CGT**)) implications for Eligible Shareholders.

(c) **Exercise of Entitlements**

Eligible Shareholders who exercise their Entitlements and receive New Shares will acquire those Shares with a cost base (and reduced cost base) for CGT purposes equal to the Offer Price payable by them for those New Shares plus certain non-deductible incidental costs they incur in acquiring them. Each New Share (other than an Additional New Share) will be taken to have been acquired for CGT purposes on the day that the Entitlement is exercised. Each Additional New Share will be taken to have been acquired for CGT purposes when FNP issues or allots that Additional New Share.

Eligible Shareholders should not make any capital gain or loss, or derive assessable income, merely as a consequence of exercising the Entitlements or subscribing for the New Shares.

(d) **Dividends on New Shares**

Eligible Shareholders who exercise their Entitlement Offer will acquire New Shares. Any future dividends or other distributions made in respect of the New Shares should generally be subject to the same taxation treatment as dividends or other distributions made on existing Shares held in the same circumstances.

(e) **Disposal of New Shares**

On any future disposal of New Shares, Eligible Shareholders will make a capital gain if the capital proceeds of that disposal (net of transaction fees on disposal) are more than the cost base of the New Share, or a capital loss if the capital proceeds of that disposal (net of transaction fees on disposal) are less than the reduced cost base of the New Share.

The cost base and reduced cost base of those New Shares is expected to be as described at 8.9(c) above.

Individuals, complying superannuation entities or trustees that have held New Shares for at least 12 months (not including the dates of acquisition and disposal of the New Shares) may be able to discount the amount of a capital gain arising on the disposal of their New Shares (after the application of any current year or carry forward capital losses).

The CGT discount is 50% for individuals and trustees, and 33⅓% for complying superannuation entities. The CGT discount is not available for companies that are not trustees.

If a capital loss arises on disposal of the New Shares, the capital loss can only be used to offset capital gains (ie the capital loss cannot be used to offset ordinary income). However, if the capital loss cannot be used in a particular year it may be carried forward to use in future income years, subject to the satisfaction of certain tests.

(f) **TOFA**

The *Tax Laws Amendment (Taxation of Financial Arrangements) Act 2009* (**TOFA Amendments**) made amendments to the Australian income tax law that operate to make assessable or deductible, gains or losses arising from certain “financial arrangements”. The TOFA Amendments will apply for income tax years commencing on or after 1 July 2010. However, a taxpayer can elect to apply the TOFA Amendments to income tax years commencing on or after 1 July 2009 and may also elect to apply the TOFA Amendments to existing financial arrangements held at the relevant start date.

An Entitlement or right to receive a share is a “financial arrangement”. However, depending on the circumstances of the particular Eligible Shareholder, the TOFA Amendments may be effectively excluded from applying. Further, certain taxpayers (including many individuals) may

be excluded from the application of the TOFA Amendments unless they make a valid election for them to apply.

As the application of the TOFA Amendments is dependent on the particular facts and circumstances of the taxpayer, each Eligible Shareholders should obtain their own advice in relation to the potential applicability of the amendments contained in the TOFA Amendments, in light of their own individual facts and circumstances.

(g) Other Australian taxes

No GST or stamp duty should be payable by Eligible Shareholders in respect of the issue, lapse or exercise of the Entitlements or the acquisition, holding or future disposal of New Shares.

9.10 Rounding of Entitlements

Where fractions arise in the calculation of Entitlements, they will be rounded down to the nearest whole number of New Shares and Additional New Shares.

9.11 Offer Booklet availability

Eligible Shareholders in Australia and New Zealand can obtain a copy of this Offer Booklet during the period of the Entitlement Offer by accessing the ASX website. Persons who access the electronic version of this Offer Booklet should ensure that they download and read the entire Offer Booklet. The electronic version of this Offer Booklet on the ASX website will **not** include a personalised Entitlement and Acceptance Form.

A replacement personalised Entitlement and Acceptance Form can be requested by calling (+61) 1300 666 437 at any time between 8:30am and 5:30pm (Sydney time) on Monday to Friday during the Entitlement Offer period.

This Offer Booklet (including the accompanying personalised Entitlement and Acceptance Form) may not be distributed or released to or relied upon by, persons in the United States.

9.12 Future performance and forward looking statements

This Offer Booklet contains certain forward looking statements. Forward looking statements should or can generally be identified by the use of forward looking words such as “anticipate”, “believe”, “expect”, “project”, “forecast”, “estimate”, “likely”, “intend”, “should”, “will”, “could”, “may”, “target”, “plan” and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings, distributions or financial position or performance are also forward looking statements. The forward looking statements contained in this Offer Booklet involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of FNP, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward looking statements may also be based on estimates and assumptions which are subject to change. Actual results, performance or achievements may vary materially for many projections because events and actual circumstances frequently do not occur as forecast and these differences may be material. These statements may assume the success of FNP’s business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond FNP’s control (including uncertainties described in the “Key Risks” in section 4 of this Offer Booklet), and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward looking statements may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward looking statements and, except as required by law, FNP assumes no obligation to update or revise such information to reflect any change in expectations or assumptions. The inclusion of the forward looking statements in this Offer Booklet should not be regarded as a representation, warranty or guarantee

with respect to its accuracy or the accuracy of the underlying assumptions or that FNP will achieve, or is likely to achieve, any particular results.

9.13 Past performance

Investors should note that the past share price performance of FNP provides no guarantee or guidance as to future share price performance. Past performance information given in this Offer Booklet is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. The historical information in this Offer Booklet is, or is based upon, information that has been released to the market. For further information, please see past announcements released to the ASX.

9.14 Governing law

This Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of Entitlement Offers pursuant to the personalised Entitlement and Acceptance Forms are governed by the laws applicable in New South Wales, Australia. Each applicant for New Shares and Additional New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

9.15 Foreign jurisdictions

This Offer Booklet has been prepared to comply with the requirements of the securities laws of Australia and New Zealand.

New Zealand

The New Shares and Additional New Shares being offered under this Offer Booklet are not being offered or sold to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of New Shares and Additional New Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). The offer of New Shares and Additional New Shares is non-renounceable.

This Offer Booklet has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This Offer Booklet is not an investment statement or prospectus under New Zealand law, and may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Other than under the Entitlement Offer, New Shares and Additional New Shares may be offered and sold in New Zealand only to:

- persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money; or
- persons who are each required to pay a minimum subscription price of at least NZ\$500,000 for the securities before allotment.

Other

This Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares and Additional New Shares or otherwise permit the public offering of the New Shares and Additional New Shares in any jurisdiction other than Australia and New Zealand.

The distribution of this Offer Booklet (including an electronic copy) outside of Australia and New Zealand may be restricted by law. If you come into possession of this Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions.

Any non-compliance with these restrictions may contravene applicable securities laws.

The Entitlements, the New Shares and the Additional New Shares have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements, the New Shares and Additional New Shares may not be offered, sold or otherwise transferred, directly or indirectly, in the United States absent registration or in a transaction exempt from or not subject to, the registration requirements of the Securities Act and any other applicable securities laws.

See the section 1.5 of this Offer Booklet for more information.

9.16 Withdrawal of Entitlement Offer

The Directors reserve the right to withdraw all or part of the Entitlement Offer at any time prior to the issue of New Shares and Additional New Shares, in which case FNP will refund Application Monies in accordance with the Corporations Act without payment of interest.

9.17 Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Offer Booklet.

Any information or representation that is not in this Offer Booklet may not be relied on as having been authorised by FNP, or its related bodies corporate in connection with the Entitlement Offer.

Except as required by law, and only to the extent so required, none of FNP, or any other person, warrants or guarantees the future performance of FNP or any return on any investment made pursuant to this Offer Booklet.

9.18 Risk factors

An investment in FNP involves general risks associated with an investment in the share market. The price of New Shares and Additional New Shares may rise or fall.

There are also a number of risk factors, both specific to FNP and of a general nature, which may affect the future operating and financial performance of FNP and the value of an investment in FNP. Before deciding to invest in FNP, prospective investors should carefully consider the “Key Risks” in section 4 of this Offer Booklet.

9.19 Obtaining copies of documents

FNP will provide free of charge to any Shareholder who asks before the Entitlement Offer closes, a copy of any of the following documents:

- this Offer Booklet;
- the annual financial report of FNP for the year ended 30 June 2012, being the most recently lodged annual financial report of FNP before the date of this Offer Booklet; and
- any continuous disclosure notices given by FNP to ASX after the lodgement of the annual financial report of FNP for the year ended 30 June 2012 with ASIC and before lodgement of a copy of this Offer Booklet with the ASX.

These documents are available by contacting (+61) 1300 666 437 and are also available at <http://www.asx.com.au/>.

10 Glossary

A2 Corporation means A2 Corporation Limited.

Allotment Date means the date on which New Shares and Additional New Shares are issued under the Entitlement Offer.

Application Monies means the amount specified in the personalised Entitlement and Acceptance Form, being the consideration for New Shares and Additional New Shares under the Entitlement Offer.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited ACN 008 624 691 or, where the context requires, the financial market operated by it on which Shares are quoted.

ASX Offer Announcement means the ASX announcement reproduced in section 8 of the Offer Booklet, being the announcement to ASX of the launch of the Entitlement Offer on 10 April 2013.

CGT means capital gains tax.

Company means FNP.

Corporations Act means the *Corporations Act 2001* (Cth).

FNP means Freedom Foods Group Limited ACN 002 814 235.

FNP Entitlement Offer Account means the account established by FNP solely for the purpose of holding any Application Monies received from Eligible Shareholders.

FNP Group means FNP and all its subsidiaries.

Eligible Shareholders has the meaning given in section 1.4 of the Offer Booklet.

Entitlement and Acceptance Form means the personalised form accompanying this Offer Booklet to be used to make an application in accordance with the instructions set out on that form.

Entitlement means the number of New Shares for which an Eligible Shareholder is entitled to subscribe under the Entitlement Offer, being 1 New Share for every 42 Shares held at the Record Date.

Entitlement Offer means the non-renounceable pro-rata entitlement offer of 1 fully paid ordinary share for every 42 Shares held at the Record Date at an Offer Price of \$1.04 made to Eligible Shareholders.

GST means goods and services tax.

Ineligible Shareholders means Shareholders who are not Eligible Shareholders.

Listing Rules means the official listing rules of the ASX.

New Shares means the fully paid ordinary shares in FNP issued under the Entitlement Offer.

Offer Booklet means this offer booklet in relation to the Entitlement Offer.

Offer Price means \$1.04 being the price payable per New Share under the Entitlement Offer.

Record Date means 7pm (Sydney time) 19 April 2013.

Registry means Link Market Services Limited

Securities Act means the *US Securities Act 1933* (as amended).

Share means a fully paid ordinary share in FNP.

Shareholder means a holder of a Share.

TOFA Amendments means the *Tax Laws Amendment (Taxation of Financial Arrangements) Act 2009* (Cth).

TOFA means Taxation of Financial Arrangements.

Corporate Directory

FREEDOM FOODS GROUP LIMITED
ACN 002 814 235

REGISTERED OFFICE

80 Box Road
Taren Point NSW 2229
Australia

LEGAL ADVISER TO FNP

Gilbert & Tobin
Level 37, 2 Park Street
Sydney, NSW, 2000

SHARE REGISTRY

Link Market Services Limited
Level 12, 680 George Street,
Sydney, NSW, Australia, 2000

Telephone (Aust): 1300 554 474
Telephone (Intl): (+61) 1300 666 437

SRN/HIN:

Entitlement Number:

Number of Eligible Shares held as
at the Record Date, 7:00pm (AEST)
on 19 April 2013:

Entitlement to New Shares
(on a 1 New Share for 42 basis):

Amount payable on full acceptance
at A\$1.04 per Share:

Offer Closes
5:00pm (AEST): **10 May 2013**

ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 1 New Share for every 42 Existing Shares that you hold on the Record Date, at an Offer Price of A\$1.04 per New Share. You may also apply for New Shares in excess of your Entitlement, at the Offer Price. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

IMPORTANT: The Offer is being made under the Offer Booklet dated 26 April 2013. The Offer Booklet contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Offer Booklet. This Entitlement and Acceptance Form should be read in conjunction with the Offer Booklet.

If you do not have a paper copy of the Offer Booklet, you can obtain a paper copy at no charge, by calling the Freedom Foods Group Offer Information Line on 1300 666 437 (within Australia) or +61 1300 666 437 (from outside Australia).

PAYMENT OPTIONS

If you wish to take up all or part of your Entitlement (as shown above), or take up all of your Entitlement and apply for Additional New Shares, you have two payment options detailed below.

OPTION 1: PAYING BY BPAY®

If paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return the acceptance slip below if you elect to make payment by BPAY®.** Payment must be received via BPAY® before 5:00pm (AEST) on 10 May 2013. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by BPAY® you will have deemed to have completed an Application Form for the number of Shares subject of your application payment.



Billers Code: 939611

Ref:

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au

© Registered to BPAY Pty Ltd ABN 69 079 137 518

OPTION 2: PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

If paying by cheque, bank draft or money order, complete and return the acceptance slip below with your Application Monies. No signature is required on the acceptance slip. The acceptance slip with your Application Monies must be received by the Registry before 5:00pm (AEST) on 10 May 2013.

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.

Please detach and enclose with payment



SRN/HIN:

Entitlement Number:

A Number of New Shares accepted (being not more than your Entitlement shown above)

B Number of Additional New Shares

C Total number of New Shares accepted (add Boxes A and B)

D PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS – Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to “Freedom Foods Group Limited – Entitlement Offer” and crossed “Not Negotiable”.

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				A\$

E CONTACT DETAILS – Telephone Number

Telephone Number – After Hours

Contact Name

FREEDOM FOODS GROUP

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia and New Zealand. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Offer Booklet and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

ACCEPTANCE OF ENTITLEMENT OFFER

By either returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Offer Booklet and that you acknowledge the matters, and make the warranties and representations;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of Freedom Foods Group Limited.

HOW TO APPLY FOR NEW SHARES

1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: www.bpay.com.au

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by A\$1.04.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

A. Acceptance of New Shares

Enter into section A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

B. Application for Additional New Shares

You can apply for more New Shares than your Entitlement. Please enter the number of **Additional** New Shares above your Entitlement for which you wish to apply into Box B. Your Application for Additional New Shares may not be successful (wholly or partially). The decision of Freedom Foods Group Limited on the number of New Shares to be allocated to you will be final. No interest will be paid on any Application Monies received or returned.

C. Total Number of New Shares Subscribed for

To calculate total number of New Shares subscribed for, add Box A and Box B and enter this in Box C.

D. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section D. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Freedom Foods Group Limited – Entitlement Offer" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, Freedom Foods Group Limited may treat you as applying for as many New Shares and Additional New Shares as your cheque, bank draft or money order will pay for.

E. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

3. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Offer Booklet electronically, your completed Entitlement and Acceptance Form with the payment for New Shares may be mailed to the postal address, or delivered by hand to the delivery address, set out below. **If paying by BPAY® you do not need to complete or return the Entitlement and Acceptance Form.** You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

Mailing Address

Freedom Foods Group
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

Hand Delivery

Freedom Foods Group
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138 **(Please do not use this address for mailing purposes)**

Make sure you send your Acceptance Slip and application payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (AEST) on 10 May 2013. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Freedom Foods Group reserves the right not to process any Acceptance Slips and cheques received after 5:00pm (AEST) on 10 May 2013.

If you require further information on how to complete this Entitlement and Acceptance Form, please contact the Freedom Foods Group Offer Information Line on 1300 666 437 (within Australia) or +61 1300 666 437 (from outside Australia) between 8:30am and 5:30pm (AEST) Monday to Friday.