

24th May 2013

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

Freedom Foods Group Limited
Freedom Foods to expand North American Presence

Freedom Foods Group Limited (ASX Code: FNP) today announced an expansion of its sales activities for its Freedom Foods business in North America.

In 2011, Freedom Foods established a distribution base in USA to explore export opportunities. Ongoing volume growth and acceptance by retailers and consumers in this market of Freedom's proposition had led to a decision to expand its sales activities.

The strategy will be to build on Freedom's unique point of differentiation in offering a Cereal range free of all common allergens and from non genetically modified sources.

This unique point of differentiation is based on the Company's manufacturing facility at Leeton in the Riverina in NSW, which is the only integrated scale manufacturing capability in Australia and overseas for cereals and snacks "free from" key allergens such as gluten, nuts and dairy to lowest detectable standards.

With the US gluten free market estimated at US\$3.4 billion and growing at 15% CAGR per annum, Freedom is increasing its development activities in North America to grow sales of Freedom branded and contract pack supply from its Leeton facility.

The expansion of the operation in North America will be through a new Freedom Foods subsidiary that will assume the existing import and distribution rights of current distributor Wholesome International Inc. Wholesome International will remain a minority partner in the North American business and provide ongoing distribution and administration services.

As part of the expansion, Freedom will relocate Michael Bracka to North America to lead the commercialisation activities of the North American business. Mr Bracka has an extensive background in sales commercialisation with leading global FMCG brands, most recently having played an important role in the most recent development of Freedom in Australia.

Freedom's long term target will be to develop a sales base of up to 1 million cases of Freedom branded Cereals and Cereal snacks. The retail sales channel focus will be on specialty or natural products retailers in key demographic regions in the USA, namely around California, Texas, Mid West, New York and Florida and into Canada.

Alongside the development of the Freedom brand, the business will also supply retailer brands in these markets, with discussions already underway with a major North American retailer to supply co packed product.

Aside from working capital investment aligned to sales growth, Freedom's marketing investment will be focussed on engaging directly with allergen specific consumers through consumer expo's and also through social media. This strategy is aligned to Freedom's experience in developing its consumer base in Australia over the past 10 years.

The recently announced \$3.5 million upgrade to Cereal manufacturing capability at Leeton to expand its downstream cereal packaging capabilities will improve efficiencies and provide for increased capacity in range and format for the North American and domestic operations.

For further information, please contact:

Rory J F Macleod
Managing Director

Freedom Foods Group Limited
Tel: +61 2 9526 2555