

Freedom Foods Group Limited

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Rory J F Macleod
Managing Director



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Making Food Better

We believe that people's needs have moved towards safer, nutrient rich, longer life convenient foods.

All our products have a purpose of bringing value to consumers lives through best nutrition and innovative convenience



A Leader in using IP, Brands and Manufacturing to Value Add Australia's Unique Food Capabilities



Trends

- Source and Providence
- Portability
- Convenience
- Taste
- Fresh
- Less processed
- Simple Ingredients
- Absence of negatives to presence of positives
- Snacking
- Protein
- Portion Size (premium is not about price)
- Blurring of products and categories
- Choice (dairy vs non dairy changes)
- More options, changing habits

As consumers, our relationship with food is changing. We spend more time talking and sharing with others about what we eat and why we like certain foods, than we spend actually eating



Beverage Evolution (choice, convenience)

Early 90's

White Milk Full Fat
White Milk Skim

Soy Milk
Rice Milk



2015 *

White Milk Full Fat
White Milk Skim
White Milk No Fat
A2 Milk
Goats Milk
Functional Milk

Soy Milk
Rice Milk
Almond Milk
Coconut Milk
Macadamia Nut Milk
Cashew Milk

**Sample, not intended to reflect total market*



Other External Factors

- Exchange rate depreciation
(opportunity, but significant protection to domestic industry against imports)
- Low cost automation key to competitiveness
- People in processing and operations will need to be technical and smarter than prior generation
- Quality, Safety, Efficiency
- Regulation will increase (food safety etc)



Key Strategic Factors

Markets

- Health and Wellness Revolution
- Pan Asia Growth (Population, Protein)
- Quality, Premium, Price, Non GMO
- FTA's (medium – longer term significant)

Capability

- Agribusiness Supply – Development
- Lowest cost conversion
- Value Added

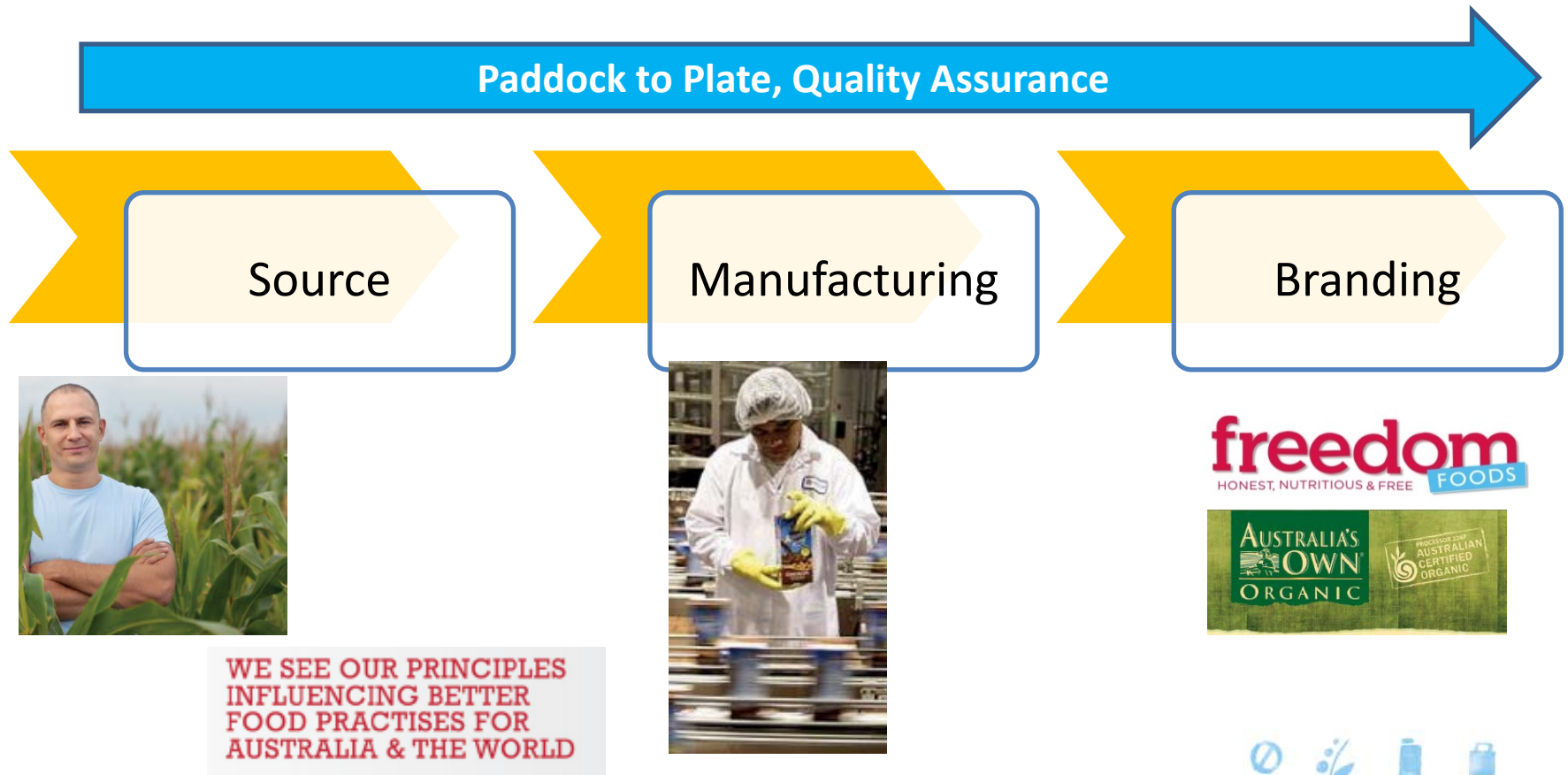
Market Access

- Collaboration
- Brands leading a Category Approach
- Scale



Critical Paddock to Plate Process

A sustainable export model needs to be based on a Paddock to Plate Process



Source

Australian Source

***It's is our only basis to Guarantee to our customers,
Quality, Consistency, Supply Chain Transparency,
Innovation, and Guarantee of Non GMO***

We are building dedicated supply relationships with Farmers to ensure growth and quality

Dairy

Grains



Manufacturing, Innovation Platform

New Plants



- Dairy Shepparton
- Non Dairy Ingleburn

New Capacities



- Cereal, Snacks
- UHT capabilities

R&D Innovation



- Cereal, Snacks
- UHT Dairy, Non Dairy

Building Low Cost High Quality Capabilities to drive Growth



Proving Capability with Strong Partners in Key Markets



China and
SE Asia



North
America



Australia



Global
Supply
Partners

Some of our Achievements in the Period



Cereal and Cereal Snacks



Cereal and Cereal Snacks

- Freedom Foods continued to build momentum in its Cereal and Cereal based Snacks portfolio, with material investments in production capacity and capabilities for future growth.
- Significant capital expenditure occurred at Leeton, together with further investment in R&D and an increase in brand marketing.
- As well as increased marketing investment in building awareness of the brand, we are focussed on driving our innovation pipeline to meet the broader consumer market.
- A significant achievement to date from our R&D focus has been our range of products achieving 3.5 – 5.0 star ratings within the government health star rating system.
- The business developed its Freedom Farmer platform, with a number of key farmer groups engaged to build the Group's grains supply platform over the coming years. This will guarantee the integrated paddock to plate provider. Australian sourcing of all ingredients is a key source of competitive advantage for the Company.



New Cereal Packaging and Reconfiguration – Launch February 2015



Freedom Cereals
ranging from
5 Stars to 3.5 Stars



Cereals and Cereal Snacks Capacity Investment

- During the half, the business invested \$9 million in capital expenditure at Leeton, including completing the upgrade of Cereal extrusion and packaging capabilities to improve efficiencies and provide increased capacity in range and format for both Cereals and Cereal Snacks.
- A significant part of the half year expenditure was incurred on the installation of a new state of the art automated nutritional snack line. Both these investments will significantly increase Freedom Foods production capability, with no material increase in cash overheads and a lower cost per case once completed.



Initial Range Launch January 2015

New



Media Launch February 2015



'Packing a healthy lunchbox'



'Understanding the Start Rating'



MORE freedom IN THE school canteen



Freedom Foods Crunch Choc Chip Bars 6 Pack 210g
335 per 100g. On sale for 2 weeks



Cereals and Cereal Snacks North America

- In North America, our 80% owned subsidiary invested in building sales and distribution capabilities, increasing sales and store distribution within the Specialty and Natural Product Retailer markets.
- Considerable investment has been made in developing relationships with retailers including Sprouts, Whole Foods, Wegmens, Kroger and HEB.
- We will continue to build distribution and consumer awareness within existing and new retail stores, reflecting our unique proposition in Allergen Free and Non GMO Cereals and Cereal Snacks. This includes new product launches in Cereal within the children's segment and plans for launch of a range of Allergen Free nutritional snack bars in 2015.
- The business will look to significantly expand distribution over the medium term through the application of additional sales and marketing resource.
- The Group is also considering options for increased scale in the North American market.



USA Retailer Presence



Aseptic (UHT) Beverages



Scaled Low Cost Aseptic (UHT) Food and Beverage Group



Key Facilities

- Taren Point (Beverage)
- Shepparton (Dairy)
- Ingleburn (2nd half 2016)

2017

Beverage

- Non Dairy
- Value Added

Dairy

- White Milk
- Value Added

New Format for Food

- High Inclusion Meals, Soups
- Vegetables and Fruit



UHT Liquids – Non Dairy Activities

- Non-dairy production volumes increased during the period to support the growth of the Australia's Own and Blue Diamond brands, as well as private label requirements.
- Non-dairy beverage sales continued the strong upward trend compared to the previous corresponding period, reflecting increased market share of Australia's Own Organic and Blue Diamond Almond Breeze brands within a category which is itself growing significantly.
- The Company is investing to significantly increase its UHT R&D capabilities to ensure it is leading in developing innovative UHT solutions in non-dairy and dairy applications for its customers in Australia, China and SE Asia.
- The 250ml Prisma Format and 330ml Prisma Dreamcap formats at PDG's Shepparton facility will be substantially allocated to PDG dairy based export customers



Almond Growth in Food Service



Breasting through Melbourne NEXT WEEK!

FREE product samples

10 Good reasons to offer Almond Breeze

1. Sales Opportunity: Almond Breeze is the only almond milk available in Australia.
2. A Better Taste Experience: Almond Breeze is the only almond milk available in Australia.
3. Health Health Trend: Low fat, low sugar, low calorie.
4. Premium Quality: Almond Breeze is the only almond milk available in Australia.
5. Practical & Convenient: Almond Breeze is the only almond milk available in Australia.
6. Peer Approved: Almond Breeze is the only almond milk available in Australia.
7. Competitive Edge: Almond Breeze is the only almond milk available in Australia.
8. Proven: Almond Breeze is the only almond milk available in Australia.
9. Stretches & Foams: Almond Breeze is the only almond milk available in Australia.
10. Soy & Dairy Free: Almond Breeze is the only almond milk available in Australia.

Barista Blend Almond Milk.
Complementing the World's Finest Coffees

Soy & Dairy Free - Low in Fat & Calories

- 20% of all non-dairy milks sold in Australia are almond milk.
- Almond Breeze has 40% share of the Australian almond milk market.
- Almond Breeze is growing at +100% in retail sales.
- Almond milk volume is growing at +300%.

Get your FREE sample product today!

Contact Freedom Foods
foodservicesales@freedomfoods.com.au

Almond Breeze

COMPAK GRINDERS TO HOST THE ALMOND BREEZE INVITATIONAL LATTE ART SMACKDOWN

\$500 cash first prize

FROM 6PM - WED 12TH NOV
at **COMPAK GRINDERS HQ**
20 ROCKLEA DRIVE PORT MELBOURNE

BARISTAS REGISTER AT
FOODSERVICESALES@FREEDOMFOODS.COM.AU

Almond Breeze

COMPAK
KAPPA GRINDING COMPANY



Melbourne Smack Down 12th November

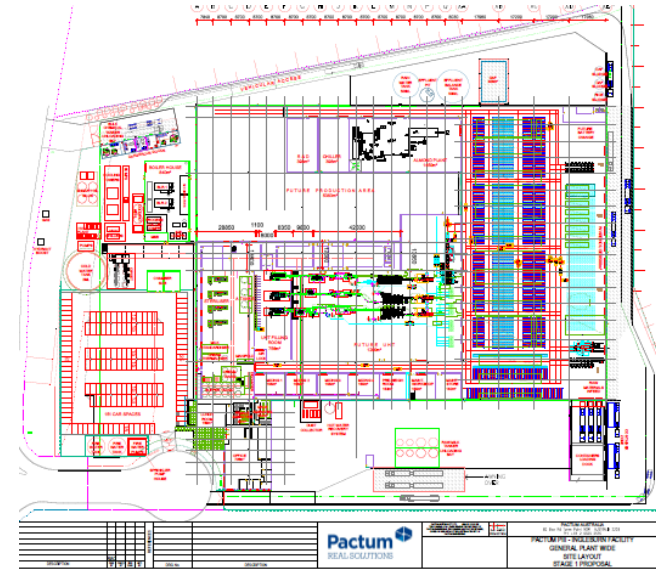


New UHT facility Ingleburn Sydney

- With increasing demand for additional capacity and product format capability across non-dairy and value added dairy categories, the Company is investing for future growth through a planned expansion at a new site in Ingleburn in South West Sydney.
- The new facility will provide for significant expansion in capacity and efficiency improvements compared to current operations, including providing more efficient and lower cost warehousing and logistics compared to current arrangements.
- The new facility will provide for existing and new UHT packaging capabilities including plastic bottle formats. This will allow customisation of beverage and food products for local and export markets with efficiency and speed, to meet the growing demand for high quality safe foods from Australia.
- Construction of a warehousing and distribution facility is expected to commence by June 2015, with UHT production commencing from later in 2016.



Ingleburn UHT Site



- Construction commencing June 2015
- Warehouse and distribution centre by late 2015
- UHT operations by late 2016



UHT Liquids – Dairy Operations (PDG)

- PDG commenced operations in April 2014 to provide innovative UHT dairy milk capability for customers in domestic and export markets.
- Commencing volumes are tracking ahead of its 3 year business plan, with strong demand from customers from China and SE Asia.
- The Group has established key relationships with major dairy manufacturers and brand owners including Bright Dairy (Shanghai), New Hope Dairy (Chengdu), Shenzhen JLL (Guangzhou), online retailer Yihaodian and a number of regional dairy manufacturers and distributors. Each of these relationships is complementary recognising as a separate strategy the level of diversification in local market distribution, product range and capability within China.



UHT Liquids – Dairy Operations (PDG)

- To meet expected expansion in milk volumes over the medium term, the Group is evaluating additional processing and filling capacity expansion, including expansion of warehousing and logistics capabilities.
- With the increasing scale of the PDG and Freedom Foods Group operations, the Group has augmented its management capability within the PDG business with the appointment of senior level commercial and operational resources.:
 - Commercial Operations led by Noel Ayre, Former Tetra Pak MD Oceania, with a strong history of commercial sales in aseptic beverage across Asia
 - Manufacturing Operations led by Maria Makris, Former Factory Manager, Murray Goulburn UHT operations





新鲜我的生活

坚持纯净，就是优⁺

100% Product Of Australia

澳洲家族牧场主
Brad和他的长子

纯净优⁺·添加



Site Overview



Australia's Own Partnership into China

- The Group commenced production during the half of our “Australia's Own” branded “Kids Milk” to support its launch in China in early February 2015.
- Australia's Own Kids Milk is being marketed and distributed through a long term 50 year partnership with Guangzhou based Shenzhen JiaLiLe Food Co. Ltd (JLL), which is owned and led by parties associated with the establishment of the largest selling ready to drink beverage in China.
- The arrangements reflect the strategic approach of our business model to engage established partners in foreign markets whom understand local business requirements. The initial product is a single serve 200ml pack, which is the first Australian milk product marketed specifically to the post-infant-formula toddler market in China.
- Production commenced in late 2014 sourced from the Company's Sydney UHT facility. Increased capacity at Shepparton during 2015 will provide for long term sourcing from this facility.



Australia's Own Launch in China





Australia's Own Launch in China



Australia's Own on Shelf in China



Collaboration with New Hope Group and Perich Group

- As announced in November 2014, the Company, Perich Group and China's New Hope Group (China's largest private agricultural company) are evaluating opportunities to develop long term dairy milk supply through the establishment of new large scale intensive dairy farms in South East Australia.
- The arrangements envisaged will provide a unique collaborative business model to develop large scale dairy farms under Australian management and ownership. New Hope will be a core investor and partner in the operations, while continuing to market and distribute value added dairy products into China through New Hope Dairy.
- The parties are evaluating a range of options including acquisition to develop further scale in dairy farm operations and greenfield farm development opportunities.
- It is envisaged that Freedom Foods Group will make a strategic investment in the farm investment vehicle, with the majority of equity funds to be contributed by Perich Group, New Hope and potentially other strategic investors.



Specialty Foods



Specialty Foods

- Brunswick sardines maintained its No 1 brand leadership position in Australia and New Zealand.
- The business introduced revitalized packaging and website content for the Brunswick brand. The Company sees further category and product expansion opportunities within the Specialty Seafood category in response to the brand and packaging repositioning.
- The business continued to utilise the procurement power of Bumble Bee Foods of North America, with Bumble Bee securing 2015 inventory requirements through priority access to salmon and sardine catch volumes.



New Brunswick Website

PURE CANADIAN
BRUNSWICK
EST. 1893

Search Recipes

PRODUCTS COMPANY WILD CAUGHT RECIPES NEWS

PURE CANADIAN
BRUNSWICK
EST. 1893
WILD SARDINES
in OLIVE OIL
NET 106g
WILD CAUGHT
from the pristine cold waters of Canada

PURE CANADIAN
BRUNSWICK
FRESH
NEW LOOK,
SAME GREAT TASTE!
RECIPES INSPIRATIONS AT
BRUNSWICKFOODS.COM.AU

BRUNSWICK
SARDINE
CROQUETTES
RECIPE ON BACK

BRUNSWICKFOODS.COM.AU

BRUNSWICK
SARDINE
LINGUINE
RECIPE ON BACK

BRUNSWICKFOODS.COM.AU

BRUNSWICK
SARDINE
CROQUETTES
RECIPE ON BACK

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SARDINE
LINGUINE
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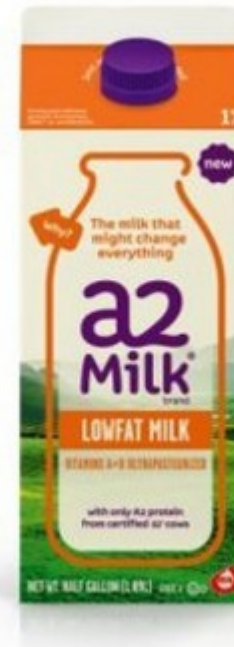
Investments



a2 Milk Company Limited (17.8% shareholding)

- The Company is the largest single shareholder in the A2 Milk Company Limited (a2MC).
- a2™ branded milk is the fastest growing milk brand in the Australian market and the major driver of category growth nationally, accounting for approximately 9.3% of grocery channel market share by value. a2MC also markets a2™ Platinum™ infant formula to consumers in Australia and China.
- a2MC's plan to enter the North American fresh milk market is progressing, with a launch expected to commence during calendar year 2015.
- a2MC listed on the Australian Stock Exchange in April 2015.



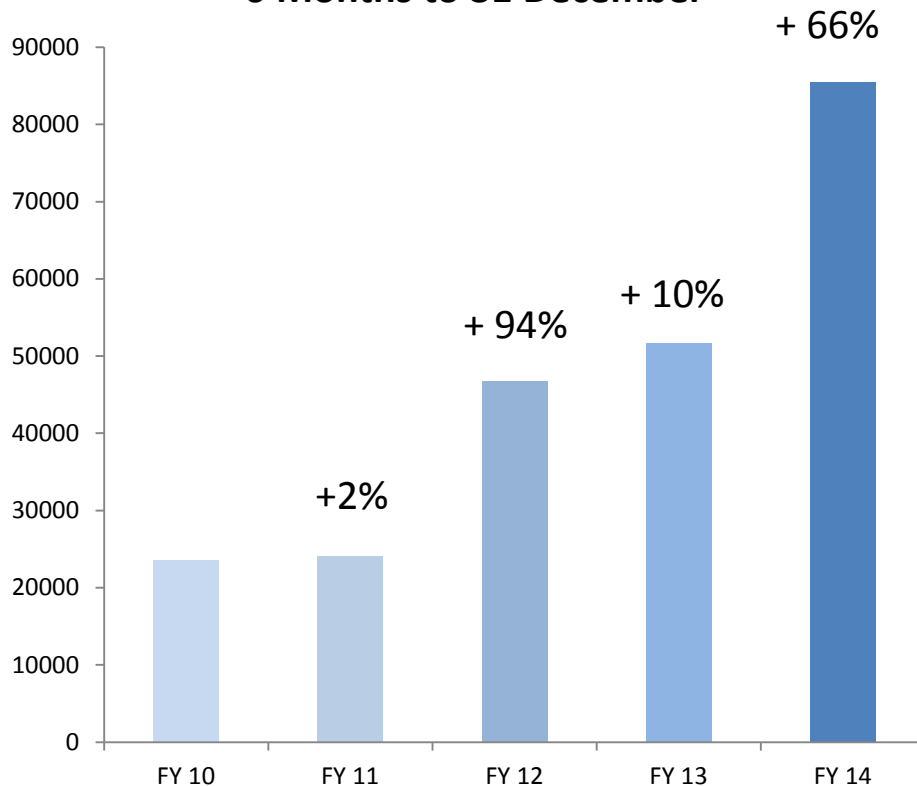


Outlook



Sales Revenues Development

Group Net Sales
6 Months to 31 December



Net Sales include PDG 100% sales, intercompany sales

- Record Net Sales for Group of \$85 million including Dairy, + 66% on prior year period
- Net Sales (100% owned entities) of \$55.5 million, +7.5% on prior year period
- Key Revenue Drivers
 - Commencing Dairy Sales into China, SE Asia
 - Growth in Cereal sales in Australia and North America
 - Growth in Non Dairy Beverage including Branded and Private Label



3 Pillar Capital Investment Program

- The Group is now part way through a 3 pillar capital investment programme which will transform its operations over the next 3 years and provide the opportunity to become a leading Australian based Food Company with a strong export platform.
 - Cereal and Snack Production (Allergen Free). The Group has installed world class equipment to increase production capacity significantly for growth in sales and profitability over the next 3 years. Upgraded Cereal and new snack production lines have been commissioned and are ramping up to full efficiency over the next 6 months. The design of the upgrade provides for modular expansion at relatively low capital cost thereafter.
 - Creation of Pactum Dairy Group and the development of a high speed low cost dairy focussed UHT facility at Shepparton. Operations commenced in April 2014 and the business is now profitable on relatively low volumes compared to the rated capacity. Significant expansion of throughput is expected to occur in 2015 as the third and fourth lines become operational.
 - The development of a low cost high speed UHT processing and distribution facility at Ingleburn for non-dairy and dairy products with the potential for other food related products over time.
- The Group is well placed to capitalise on the capital investment programme from the efforts of the team to bring these plans to fruition.
- Funding for these major growth programmes will be provided from existing capital, prudent expansion of debt financing and the medium term realisation of other assets. Where equity capital is required, it will be sourced through entitlements offers to all shareholders.



Driving increased Scaleability in our Core Activities

Collaborations

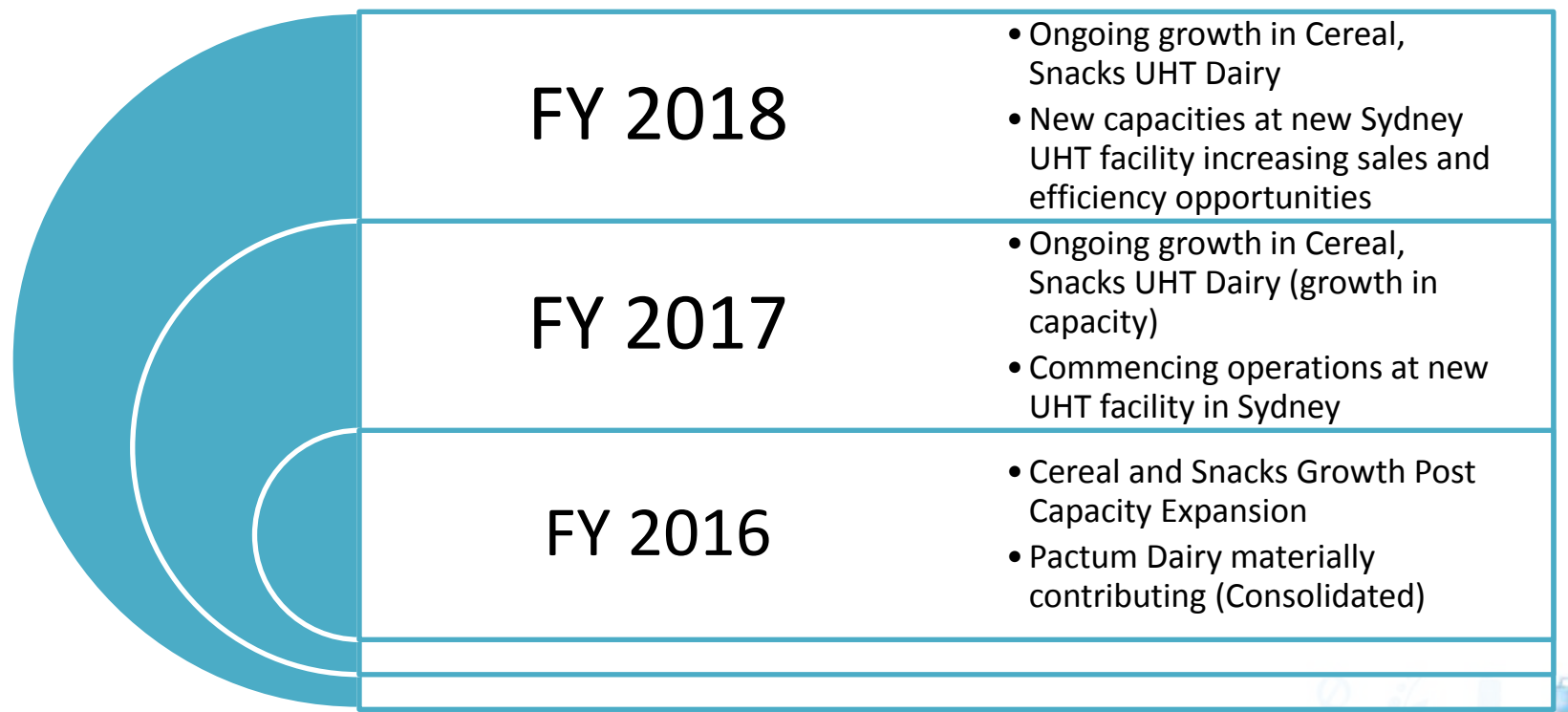
Organic Growth

Complimentary Acquisitions



Outlook - Evolution of Financial Returns

- FY 15 will reflect increased investment in resources for growth and impact of commissioning process at Freedom
- Benefits of multi stage capital investment programme delivering increased profits and returns from FY 2016 and beyond



MAKING FOOD BETTER

