

4<sup>th</sup> July 2017

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

**Freedom Foods Group Limited**  
**Formal Documentation for Australia's Own Dairy Company China**

Freedom Foods Group (**Freedom Foods** or the **Company**) has today entered into binding documentation with Shenzhen JiaLiLe Food Co. Ltd (**JLL**) to establish a new company called Australia's Own Dairy Company China (**AO China**).

The Company commenced production of our "Australia's Own" branded "Kid's Milk" to support its launch in China in February 2015 under a long term brand licensing arrangement with our Chinese partner JLL.

With significant ongoing marketing investment including point of sale promotion, sampling and sponsorship of leading children's TV programmes, the product has continued its strong growth trajectory, with the product now the largest imported Kid's Milk brand in China where it is distributed. The Kid's Milk product is utilising milk sourced from the Company's Australian Fresh Milk Holdings (**AFMH**) operation.

The new structure will provide a stronger strategic link between the existing brand operations in China (sales, marketing, and distribution) and brand production in Australia (sourcing, processing, manufacturing).

AO China will continue to grow Australia's Own branded Kid's Milk products in China, as well as developing plans for launch of other dairy products including Ambient Drinking Yogurt in early 2018 and Infant Formula products in the medium term.

Freedom Foods will subscribe for an initial 10% investment in AO China for a consideration of RMB22 million (approximately AUD\$4.4 million at current exchange rates). Freedom Foods will have an option to subscribe for up to 30% of AO China within 3 years from the date of the initial subscription.

It is intended that AO China would potentially seek a listing on an international stock exchange in the medium term.

The Company has been producing the Kid's Milk products from its Taren Point facility with production limited by capacity of approximately 35 million packs per annum.

Following the installation of a high speed 200ml capacity at the new Ingleburn site (including gift pack and other carton formats) the Company expects volume to increase into 2018 with total packs estimated at 60 million in calendar year 2018. Production is expected to commence at the new



Ingleburn site, once Australian and Chinese regulatory approval has been obtained for export sales from the site.

The Company expects the AO Kid's Milk product and new product formats to be a significant contributor to growth and profitability.

For further information, please contact:

**Rory J F Macleod**  
**Managing Director**  
**Freedom Foods Group Limited**  
**Tel: +61 2 9526 2555**



***Signing Ceremony at Ingleburn Site***



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