

12th July 2018

Company Announcements Office
ASX Limited
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Freedom Foods Group Limited (ASX: FNP)
Update on General Trading
Sales growth of 35% in FY 2018, Forecast Strong Growth into FY 2019

Freedom Foods Group Limited (**FNP**, **Freedom Foods**, the **Company** or the **Group**) today announced, consistent with recent updates to shareholders, that it continues to experience strong demand across its business activities in Australia, China and SE Asia.

This growing demand in dairy, plant-based beverage, cereal and snacks reflects the positive impacts on the Company of structural change within the Australian dairy industry, demand from customers for the Company's expanded operational footprint and increasing brand penetration providing for increased market share in key channels and categories in Australia, SE Asia and China.

During the 2nd half of FY 2018, the Company launched a significant number of new branded products (over 40 new SKUs) including the commencement of material private label and other customer contracts.

Certain new product ranging in dairy, cereal and snacks was implemented later than planned in the 4th quarter of FY 2018. The Company also delayed commencement of certain new customer contracts to match supply to new capacity installations coming on stream. These factors impacted on the Company's estimate of the timing of recognition of sales in the FY 2018 financial year.

All new product ranging has now been implemented in line with Company expectations and any short-term supply constraints are being resolved and are not expected to materially impact supply in FY 2019.

Based on a preliminary unaudited review, the Company estimates net sales for FY 2018 to be approximately \$353 million, an increase of \$91 million or 35% on the prior financial year. Although the 35% increase in sales in FY 2018 puts the company slightly below its upgraded net sales revenue target of \$360 to \$380 million, the Company is very pleased with the result having regard to the positive trends outlined in this announcement.

Based on the current portfolio, product range and new contracts for key customers coming on stream in the 1st half of FY 2019, the Company expects net sales revenue in FY 2019 to be in the range of \$500 to \$530 million.

Major capital expenditure projects including the upgrade to the Shepparton UHT operation, Nutritionals, Yoghurt and UHT bottle capabilities are generally on plan.

New product revenue streams from these major capital expenditure projects are expected to materially impact net sales revenues in FY 2020.

The Company intends to release its audited financial results for FY 2018 on the 30th August 2018.



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FNP Forward Looking Statements

Freedom Foods Group Limited (FNP) advises that this document and any related materials and cross-referenced information may contain forward looking statements (including statements, calculations and projections concerning the anticipated performance of FNP and the industries and markets in which it operates) that may be subject to significant uncertainties outside of the control of FNP and matters and events unknown at this time.

No representation is made as to the accuracy or reliability of forward looking statements or the assumptions on which they are based. These forward looking statements may or may not prove to be correct and FNP and any person associated with the preparation of this document accepts no responsibility or liability in relation to their accuracy or reasonableness.

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