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Company Announcements Office
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Freedom Foods Group Limited (ASX: FNP)
Update on Nutritionals Capability and Shepparton UHT Expansion

Freedom Foods Group Limited (**FNP**, or the **Company** or the **Group**) today provided an update on the progress of nutritionals and UHT capital expenditure activities at its Shepparton site.

Nutritionals Capability

The Company has received all regulatory approvals to commence commercial operations at its new Nutritionals capability at Shepparton.

This represents a significant achievement for the Company, with construction of a complex technology capability which only commenced in February 2018.

With commissioning works ongoing through December and January, the site will next month start manufacturing Nutritional ingredients consisting of Micellar Casein (MCC), with liquid and powder formats being supplied to initial customers.

Following MCC production, the Company will progress with Native Whey Protein Isolate and Lactoferrin being commercialised through the remainder of the FY 2019 final half.

These proteins represent the purest, undiluted dairy protein source for use in high quality applications across infant, medical, sports and weight management. The Company anticipates strong demand for these ingredients as well as use within its own product range.

The Nutritionals capability is expected to deliver a material earnings contribution in FY 2020.

Shepparton UHT Expansion

The Company this month commissioned its first stage UHT upgrade, with commercial production through this additional capacity to commence in February 2019.

The first stage UHT upgrade and associated works at the Shepparton site are a key part of a significant upgrade to increase total processing capacity to 500 million litres per annum from current processing capacity of 250 million litres. Additional filling capacity is also being installed.

The increase in UHT capacity is a critical milestone to ensure the Company continues to meet strong demand for UHT dairy supply from Shepparton, with volumes set to increase over the next few years.

With this update, the Company's capital expenditure program remains broadly on track, with a significant part of planned expenditure committed in the first half of FY 2019.



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