

Pactum Commences Production for China's Bright Dairy

Sydney 4 August 2014: Freedom Foods Group Limited (ASX: FNP), Pactum Dairy Group (Pactum) and Bright Dairy of China today announced that initial production has commenced on a new 250ml dairy product, Australian made U+.

The production follows the strategic supply agreement between Shepparton based Pactum and China's Bright Dairy. The signing ceremony was the first official function overseen by China's Premier Li Keqiang and Australia's Prime Minister Tony Abbott after the leaders met on the southern Chinese coastal city of Sanya on the island of Hainan in April this year.

The product U+ is the first Australian based high quality dairy product manufactured for a major Chinese dairy company under its own brand. Bright Dairy will launch the product in China in August.

U+ will be marketed based on Australia's unique advantage in the supply and manufacture of high quality premium agriculture based foods. U+ is 100% pure Australian high quality milk, sourced from rich dairy producing areas around Shepparton, Victoria. All milk produced is subject to rigorous quality standards and traceable back to producing farms. The high quality of Australian dairy milk is based on best practice in dairy farming operations within this region.

Bright Dairy is a large publicly listed company in China. The company consistently delivers high quality dairy products to consumers. Products include fresh milk, fresh yogurt, fermented drinks, UHT milk, UHT yogurt, infant formula, cheese and butter. It sells these products under famous brands, distributed through 400 distributors and in excess of 400,000 sales outlets.

Managing Director of Freedom Foods Mr Rory Macleod said: "We are pleased to commence production on a high quality premium dairy product leveraging both Bright Dairy and Pactum's capabilities in China and Australia."

Pactum, part of Freedom Foods Group (ASX:FNP) has recently commissioned the Shepparton based \$45m UHT (Aseptic) dairy beverage facility aimed at manufacture of value added dairy beverages for key customers in China and SE Asia.

Mr Macleod said: "Australia has a unique advantage in the supply and manufacture of high quality premium agriculture based foods. With increasing demand from markets in China and SE Asia for high quality value added product, Australia through companies such as Pactum, is well placed to play an important role in this supply chain."

"Based on the above, we are pleased to be aligned with what is recognised as a market leading, high quality company with the resources and capability to market and distribute premium dairy products. PDG will look to further building on its relationship with Bright Dairy in the longer term as it expands its product and market presence.

Rory J F Macleod
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Bright U+ in Production, August 2014



Bright U+ Finished Product Ready for Export to China, August 2014



Pactum Dairy Operations Site
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