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Company Announcements Office
ASX Limited
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Freedom Foods Group Limited
UHT Milk on Positive Product List for China Cross Border Trade

Freedom Foods Group Limited (ASX Code: FNP) (Freedom Foods) announces an update to its market release on 12th April 2016.

On Friday 15th April 2016, Chinese Authorities announced an updated 'Positive List' that included UHT Milk as a product allowed to be sold through the cross border free trade zones.

This followed the tax changes released on Friday 8th April to products on China cross border ecommerce sales such that the tax differential between cross border and traditional ecommerce and retail channels in China have become more equalised.

The inclusion of UHT Milk on the 'Positive List' will provide for continued sales through cross border channels complimenting general trade ecommerce and traditional retail distribution channels in China.

Freedom Foods expects sales of its branded "So Natural" and "Vitalife" UHT products through cross border ecommerce channels to recommence in the coming days with the major online retailers JD.com and Tmall. The Company continues to build sales for these brands in general trade ecommerce, reflecting its position as the primary growth channel for ecommerce in China. Sales of these brands continue to grow in traditional retail distribution channels, having established initial distribution in 2014.

The majority of Freedom Food's sales of UHT milk into China are mainly through traditional retail distribution channels through manufacture of products for major Chinese dairy companies and other branded distributors including its branded Australia's Own Kids Milk. The demand for these products continues to grow and compliments increasing sales in Australia and South East Asia. The cost of UHT milk products into China will reduce through the progressive elimination of tariffs under the Australia China Free Trade Agreement.

Sales of Freedom Foods' Cereal based products continue to be distributed through cross border and general trade ecommerce with Tmall and JD.com. Freedom Foods understands the updated Positive List also includes Adult Milk Powder, as well as a range of new products that is expected to grow demand for Australian sourced food and beverage products.

For further information, please contact:

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