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Company Announcements Office
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**Freedom Foods Group Limited
Continued Growth in Demand for Australia's Own Kids Milk in China**

Freedom Foods Group Limited (ASX Code: FNP) (Freedom Foods) today announced an update on the progress of Australia's Own Kids Milk in China.

As part of Australia China week, the "Australia's Own" branded "Kids Milk" was showcased at an Austrade Food and Beverage show in Shanghai on 15th April. This follows a successful Chinese New Year promotional program for the product, with a strong sales performance in China continuing through March and April 2016.

Freedom Foods commenced production of our "Australia's Own" branded "Kids Milk" to support its launch in China in February 2015. The current product is a single serve 200ml pack, which is the first Australian milk product marketed specifically to the post-infant-formula toddler market in China.

The "Australia's Own" brand is being marketed and distributed in China through a long term 50 year partnership with Guangzhou based Shenzhen JiaLiLe Food Co. Ltd (JLL), which is owned and led by parties associated with the establishment of the largest selling ready to drink beverage in China.

Since launch, the distribution of the product has been focussed on a number of key provinces including Zhejiang, Hunan and Jiangsu, with considerable marketing investment by JLL, including point of sale promotion and sampling, external promotion and TV commercials.

Volumes developed throughout the 2015 year, with a strong increase in the 2nd quarter of FY 2016, as the product started to gain acceptance with consumers, particularly in large format retail supermarkets in the key provinces targeted.

With the increase in sales and forecast increased demand beyond 2016, the Company will install additional high speed 200ml capacity at the new Ingleburn site in 2017. Current capacity is limited, given ongoing demand for other portion pack formats in Australia.

Next Stage of Development including Infant Formula

Freedom Foods and JLL continue to progress plans to build the "Australia's Own" brand as a leading high quality imported brand of choice for Children's Nutrition in China.

Building off the strong consumer uptake for the brand in the 3-7 year age bracket, the business is actively developing launch plans for a product in the 7-12 year age bracket and for infant nutrition, including Infant Formula and Infant Cereals. As part of this, the Company and JLL will launch a specialised Infant Formula product early in FY 2017. Distribution is proposed to occur through both

cross border and specialised channels including online and offline mother & baby shops, using a leading channel distribution partner associated with JLL and the Company.

With a strategy to build further scale and critical mass in the “Australia’s Own” brand in China, the Company and JLL are also considering longer term ownership structures for the “Australia’s Own” brand and business, including the potential for a separately listed Company to provide long term scale and capital.

For further information, please contact:

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AUSTRALIA'S OWN KIDS MILK SHOWCASE – AUSTRALIA CHINA WEEK

