

2nd May 2017

Company Announcements Office
ASX Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

Freedom Foods Group Limited Completion of Power Foods Acquisition and Launch of New Protein Range

Completion of Transaction

Freedom Foods Group Limited (**Freedom Foods** or the **Company**) (ASX: FNP) advises that it has successfully completed the acquisition of Power Foods International (**Power Foods**), a major Australian manufacturer and brand owner in the sports and adult nutrition category.

Power Foods owns the “Vital Strength” and “UProtein” brands that market a range of sports and adult nutrition products. The Vital Strength brand is recognised as a leader in high quality nutrition products, sold through retail grocery, pharmacy and fitness retailers in Australia.

Power Foods manufactures all its protein powders at its own blending and packing facility in Marrickville, Sydney.

The purchase price for Power Foods is for a cash consideration of approximately \$21 million.

The acquisition is expected to be accretive to earnings in its first full year of operation (FY 2018) and is expected to provide additional sales and operational efficiencies in the medium term.

Strategic Growth and Opportunities

The acquisition of Power Foods will enable Freedom Foods to expand its brand and category segment offering into the sports and adult nutrition market in Australia, China and South East Asia, leveraging existing retail customer and distribution capabilities. Importantly, it will provide a unique vertical integration to the Company’s expanding dairy nutritional capabilities.

Power Foods has strong distribution into retail pharmacy chains which provides an opportunity for Freedom Foods to expand distribution of its expanding product range into this growing channel.

New Innovation in Protein Bars and Drinks

Consistent with Freedom Foods’ mission of “Making Food Better” the Company has developed a range of snacks and beverages to complement the existing Vital Strength range of protein powers and supplements.

The new range builds on the Vital Strength brand proposition to deliver a higher protein serve per gram as compared to other competitor products, based on cleaner protein sources with fewer ingredients.

The Company has secured retail distribution for this expanded range to be introduced in selective retail stores from May 2017.



The Company intends to fast track listing of the “Vital Strength” range under its ecommerce platforms in China.

It will also seek to utilise the Power Foods blending and packing capability to service a broader category including retailers and other brand owners.

In the medium term, the business will benefit from sourcing internally key dairy protein ingredients from the dairy nutritionals platform at Shepparton. This will lead to significant cost improvements and further efficiencies including additional product claims not available to other competitors. The blending and packing capabilities in Marrickville, Sydney will be relocated to Shepparton in the medium term.

For further information, please contact:

Rory J F Macleod
Managing Director
Freedom Foods Group Limited
Tel: +61 2 9526 2555

The Vital Strength Range



New Ready to Drink Protein Beverages



New Protein Bars



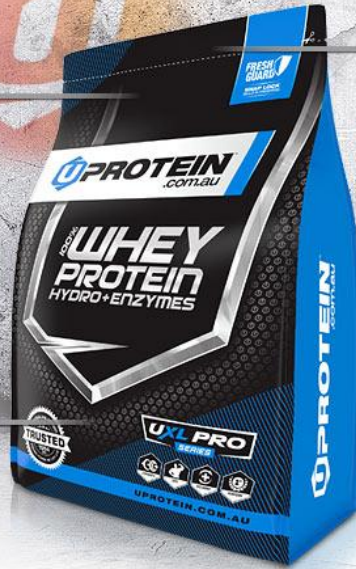
UPROTEIN Range



BETTER
PROTEIN
FORMULA
3 x Whey Sources



BETTER
PROTEIN
UTILISATION
With Added Enzymes



BETTER
MUSCLE
BUILDING
Amino Structures



BETTER
DIGESTION
PERFORMANCE
With Hydrolysed Protein