

5th May 2017

Company Announcements Office
ASX Limited
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Sydney NSW 2000

Freedom Foods Group Limited Australian Fresh Milk Holdings (AFMH) Expansion Update

Freedom Foods Group Limited (**Freedom Foods** or the **Company**) (ASX: FNP) advises today that shareholders in Australian Fresh Milk Holdings (AFMH) have acquired further land holdings as part of AFMH's ongoing expansion program.

AFMH operates Australia's fully integrated dairy farming operation, Moxey Farms located in the Lachlan Valley, New South Wales, 340 km west of Sydney.

FNP has a 10% equity shareholding in AFMH, with the balance held by the Perich Group's Leppington Pastoral Company Pty Limited (LPC), New Hope Dairy Holdings Co Ltd and the Moxey family.

Collectively the combined Moxey and Perich Group's Leppington Pastoral dairy milk production is the largest dairy milking operation in Australia.

Farm Expansion and New Sites

Since acquisition in 2015, Moxey Farms has expanded from 3,700 milking cows to 5,500 milking cows as part of a \$40 million expansion including new state-of-the-art rotary processing dairy, cow barns, effluent management and expansion of land holdings including water and irrigation capabilities. Total land under ownership and use is 2,100 hectares.

As part of its expansion strategy, the major shareholders in AFMH have acquired a property 30km south of Moxey farms titled 'North Logan', which comprises 1,150 Ha of land and water entitlements. 'North Logan' is one of the largest aggregations of land available upstream of Moxey Farm on the Lachlan River with the potential to develop large scale irrigation.

The acquisition builds on the recent acquisition by AFMH of the Bruem Dairy in the Lachlan Valley, 30km north of the Moxey Farm operation. The Bruem Dairy has land of 327 hectares, with 229 hectares under irrigation. The current dairy has 500 milking cows and will be expanded over the next 12 months to 1,000 milking cows.

The acquisition of North Logan provides further capability to grow feed production capacity for the operations of AFMH including the Bruem dairy.

Freedom Foods Utilisation of AFMH Milk Source

Freedom Foods intends to utilise a growing proportion of this new output from Moxey Farm for its Australia's Own Kid's Milk and other dairy product formats, with production of such items to occur at Ingleburn with that facility's completion in 2017.



Additional milk output from Moxey Farms will also be highly sought by fresh milk processors, given the ongoing decline in fresh milk production in NSW and QLD and the requirement to ship milk from Victoria to meet production requirements in those markets.

Freedom Foods equity contribution to the North Logan acquisition was approximately \$900,000.

For further information, please contact:

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Land Holdings and Dairy Operations in the Lachlan Valley, NSW

