

Acquisition of *Brunswick*® Seafood Brand

So Natural Foods Australia Limited (ASX code: SNF) announced today that its subsidiary, Paramount Seafoods Pty Limited ("Paramount") has executed an agreement with a subsidiary of Connors Bros. Income Fund to acquire the *Brunswick*® seafood brand in Australia and New Zealand. The transaction will strengthen Paramount's position in the ambient seafood market in Australia and New Zealand.

The total consideration of approximately A\$11.5 million (based on the current C\$/A\$ exchange rate) comprises trademarks and inventory and is being made on an EBITA multiple of around 7.5 times adjusted current year earnings. The acquisition is subject to finalisation of funding arrangements by SNF including receipt of proceeds from the recently announced beverage manufacturing joint venture Paramount can elect that up to approximately A\$ 2.4 million of the purchase price is funded by SNF issuing new ordinary shares. Further details on the funding will be given when finalised.

Connors Bros., based in Canada, is the largest producer of canned sardines worldwide through its operating subsidiaries, Clover Leaf Seafoods, L.P. and Bumble Bee Seafoods, LLC. Together, these operating companies comprise North America's largest branded seafood company, offering a full line of canned tuna, salmon, sardine and specialty products. The Brunswick brand is a well regarded seafood brand distributed in more than 40 countries.

This acquisition will allow Paramount to continue to build a meaningful position in the ambient seafood market in Australia and New Zealand. The *Brunswick* brand was launched in Australia in 1926 and has a leadership position in mainstream product line sardines in the Australian and New Zealand grocery markets. In addition, the business is a reliable supplier of house brand sardine products and recently launched branded salmon products into the New Zealand market. The acquisition provides the opportunity for improved utilization of our sales, marketing and distribution infrastructure and scope for joint sales promotions across both brands.

This transaction further builds on Paramount's strategic relationship with our long term procurement partner, Bumble Bee Seafoods LLC. Bumble Bee will assume the ongoing responsibility for procurement of high quality sardines consistent with the cost competitive arrangements in place for Paramount Seafoods salmon and tuna products. The exclusive procurement agreement with Bumble Bee has been further lengthened for a period with Paramount able to extend the term until 2016.